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# **State & Schools Actuarial Valuation**

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*As of June 30, 2007*

*Establishing Required Contributions*

*for the Fiscal Year*

*July 1, 2008 through June 30, 2009*

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**State & Schools  
Actuarial Valuation  
as of June 30, 2007**

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# Table of Contents

ACTUARIAL CERTIFICATION	1	SUMMARY OF ASSETS	
		Reconciliation of the Market Value of Assets Over the Prior Fiscal Year	53
HIGHLIGHTS & EXECUTIVE SUMMARY		Development of the Actuarial Value of Assets	54
Purpose of the Report	5	Asset Allocation	55
Employer Required Contributions	5		
Recent Pattern of Retirements	9	SUMMARY OF PARTICIPANT DATA	
History of the Expected Contribution Requirements	11	Source of the Participant Data	59
Funded Status of the Plans	11	Data Validation Tests and Adjustments	59
Changes Since the Prior Valuation	12	Data Statement	60
Subsequent Events	13	Reconciliation of Participants	61
		Distribution of Active Participants and Average Annual Salaries by Age and Service	65
SUMMARY OF LIABILITIES AND RATES		Distribution by Age and Service of Terminated Participants with Funds on Deposit and Transfers to Other CalPERS Plans	72
Comparison of Current and Prior Year	17	Summary of Retirees and Beneficiaries	79
Development of Accrued and Unfunded Liabilities	24		
Development of Employer Contribution Rates	25	APPENDIX A	
Schedule of Amortization Bases for the Retirement Program	26	Statement of Actuarial Methods and Assumptions	A-1
Gain/Loss Analysis	29		
Development of Group Term Life Insurance Contributions	35	APPENDIX B	
Reconciliation of Employer Contribution Rates	36	Summary of Principal Plan Provisions	B-1
Reconciliation of Employer Contributions	38		
Employer Contribution Rate History	40		
History of Funded Status and Funding Progress	45		

## Actuarial Certification

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the funded condition of the CalPERS' State and Schools plans. This valuation is based on the member and financial data as of June 30, 2007, provided by the various CalPERS databases, and the benefit plans as outlined in Appendix B. It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles, in accordance with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for these plans, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

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## HIGHLIGHTS AND EXECUTIVE SUMMARY

- PURPOSE OF THE REPORT
- EMPLOYER REQUIRED CONTRIBUTIONS
- RECENT PATTERN OF RETIREMENTS
- HISTORY OF THE EXPECTED CONTRIBUTION REQUIREMENTS
- FUNDED STATUS OF THE PLANS
- CHANGES SINCE THE PRIOR VALUATION
- SUBSEQUENT EVENTS

## Purpose of the Report

This actuarial valuation of the State and Schools plans of the California Public Employees' Retirement System (CalPERS) was performed by CalPERS' staff actuaries using data as of June 30, 2007 in order to:

- set forth the actuarial assets and funding liabilities of these plans as of June 30, 2007;
- establish the actuarially required contribution rates of these plans for the fiscal year July 1, 2008 through June 30, 2009;
- provide actuarial information as of June 30, 2007 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2007 to be used in financial reports subject to Governmental Accounting Standards Board Statement Number 27.

Use of this report for other purposes may be inappropriate. Numbers in this report may not add up due to rounding.

## Employer Required Contributions

The actuarially required contributions for the fiscal year July 1, 2008 through June 30, 2009 are shown below. For comparison purposes, the corresponding contributions for fiscal year July 1, 2007 through June 30, 2008 are also provided.

	2007-2008 Fiscal Year		2008-2009 Fiscal Year	
	Employer Contribution	Employer Rate	Employer Contribution	Employer Rate
State Miscellaneous Tier 1	\$1,413,213,985	16.633%	\$1,507,108,202	16.574%
State Miscellaneous Tier 2	76,240,651	16.565%	71,899,425	16.470%
State Industrial	66,099,489	17.345%	75,904,718	17.236%
State Safety	230,863,410	18.835%	281,762,944	18.411%
State Peace Officers & Firefighters	781,314,695	25.552%	891,422,825	26.064%
California Highway Patrol	179,197,020	32.212%	197,083,258	32.149%
<b>Total State</b>	<b>\$2,746,929,250</b>		<b>\$3,025,181,372</b>	
Schools	919,528,538	9.306%	966,316,743	9.428%

The supporting exhibits in this report entitled "Reconciliation of Employer Contribution Rates" on page 36 and "Reconciliation of Employer Contributions" on page 38 provide explanations of the changes in rates from the 2007-2008 fiscal year to the 2008-2009 fiscal year.

A history of the required contribution rates is included on page 40 of this report.

Overall, the required contributions for the State plans have increased by \$278.3 million between fiscal year 2007-2008 and fiscal year 2008-2009 even though the contribution rates for most plans have gone down. The main reason for this increase is the growth in payroll for all State plans between the June 30, 2006 valuation and the June 30, 2007 valuation.

Overall, the total payroll for all State plans has increased by 9.6% over the prior year. This is substantially greater than the payroll growth assumption of 3.25% used in our actuarial valuation. The plan that saw the greatest increase in total payroll was the State Safety plan. The projected payroll for the State Safety plan for fiscal year 2008-2009 is almost 25% greater than the projected payroll for fiscal year 2007-2008. The table below compares the projected payroll for fiscal year 2007-2008 and fiscal year 2008-2009 for each State plan.

	<b>Projected Payroll for 2007-2008</b>	<b>Projected Payroll for 2008-2009</b>	<b>Increase (%)</b>
State Miscellaneous	\$8,956,470,395	\$9,529,563,494	6.4%
State Industrial	\$381,076,092	\$440,392,201	15.6%
State Safety	\$1,225,715,698	\$1,530,400,086	24.9%
State Police Officers & Firefighters	\$3,057,727,481	\$3,420,181,521	11.9%
California Highway Patrol	\$556,302,122	\$613,031,231	10.2%
<b>Total State</b>	<b>\$14,177,291,788</b>	<b>\$15,533,568,534</b>	<b>9.6%</b>

This growth in payroll was a combination of pay increases granted to existing employees as well as the growth in the number of active employees.

Pay increases granted to existing employees are a normal part of every employee's career. The actuarial valuations performed by CalPERS actuaries contain assumptions regarding salary increases. Actuarial losses occur when the salary increases granted to an individual are greater than anticipated by the actuarial assumptions. Similarly, actuarial gains occur when the salary increases are smaller than anticipated by the actuarial assumptions.

Between June 30, 2006 and June 30, 2007, the average salary increase granted to existing State active employees was greater than the salary increase anticipated by the actuarial assumptions. The tables below provide a comparison of the expected average salary increase and the actual average salary increase between June 30, 2006 and June 30, 2007 for each State plan for continuing active members i.e. members that were active both on June 30, 2006 and June 30, 2007.

	<b>Average Salary on June 30, 2006</b>	<b>Expected Average Salary on June 30, 2007</b>	<b>Expected Salary Increase</b>
State Miscellaneous	\$54,203	\$56,738	4.7%
State Industrial	\$43,213	\$45,559	5.4%
State Safety	\$57,490	\$59,932	4.2%
State Police Officers & Firefighters	\$67,152	\$70,701	5.3%
California Highway Patrol	\$76,287	\$79,455	4.2%

	<b>Average Salary on June 30, 2006</b>	<b>Actual Average Salary on June 30, 2007</b>	<b>Actual Salary Increase</b>
State Miscellaneous	\$54,203	\$58,146	7.3%
State Industrial	\$43,213	\$47,385	9.7%
State Safety	\$57,490	\$64,273	11.8%
State Police Officers & Firefighters	\$67,152	\$74,473	10.9%
California Highway Patrol	\$76,287	\$84,752	11.1%

As can be seen from the above tables, the average salary for continuing active members increased at a pace of 2.6% to 7.6% more than anticipated by the actuarial assumptions.

As mentioned above, the other reason for the growth in payroll was the growth in the active membership. The plan with the largest growth in its active membership was the State Safety plan. For this plan the active membership grew by 13.4%. Overall, the total active population for the State grew by 2.5%. The table on the following page shows a comparison of the number of active members for each plan between the June 30, 2006 valuation and the June 30, 2007 valuation.

	<b>Number of Active Members on June 30, 2006</b>	<b>Number of Active Members on June 30, 2007</b>	<b>Increase (%)</b>
State Miscellaneous	155,718	155,795	0.0%
State Industrial	8,220	8,859	7.8%
State Safety	20,149	22,852	13.4%
State Police Officers & Firefighters	42,477	44,864	5.6%
California Highway Patrol	6,824	6,926	1.5%
<b>Total State</b>	<b>233,388</b>	<b>239,296</b>	<b>2.5%</b>

Even though the main reason for the change in contribution was the growth in payroll, other events affected the overall contribution. The reasons for the changes in employer contributions for the State between fiscal year 2007-2008 and fiscal year 2008-2009 are as follows:

<u>Reason for Change</u>	<u>Change in Required Contribution (millions)</u>
Increase due to growth in payroll and normal progression of existing amortization bases	\$203.6
First installment of the 30 year amortization of the following actuarial gains and losses:	
<ul style="list-style-type: none"> <li>• Greater than expected number of retirements in fiscal year 2006-2007</li> </ul>	50.3
<ul style="list-style-type: none"> <li>• Greater than expected investment return in fiscal year 2006-2007 and previously unrecognized investment gains</li> </ul>	(62.8)
<ul style="list-style-type: none"> <li>• Greater than expected contributions received in fiscal year 2006-2007 (higher than expected payroll)</li> </ul>	(26.4)
<ul style="list-style-type: none"> <li>• Greater than expected salary increases in fiscal year 2006-2007</li> </ul>	105.9
<ul style="list-style-type: none"> <li>• Other Gains and Losses</li> </ul>	7.7
<b>Total Change in Required Contributions</b>	<b>\$278.3</b>

The required contributions for the Schools pool are also increasing. Overall, the required contributions for the Schools pool have increased by \$46.8 million between fiscal year 2007-2008 and fiscal year 2008-2009. The reasons for the changes in employer contributions for the Schools pool between fiscal year 2007-2008 and fiscal year 2008-2009 are as follows:

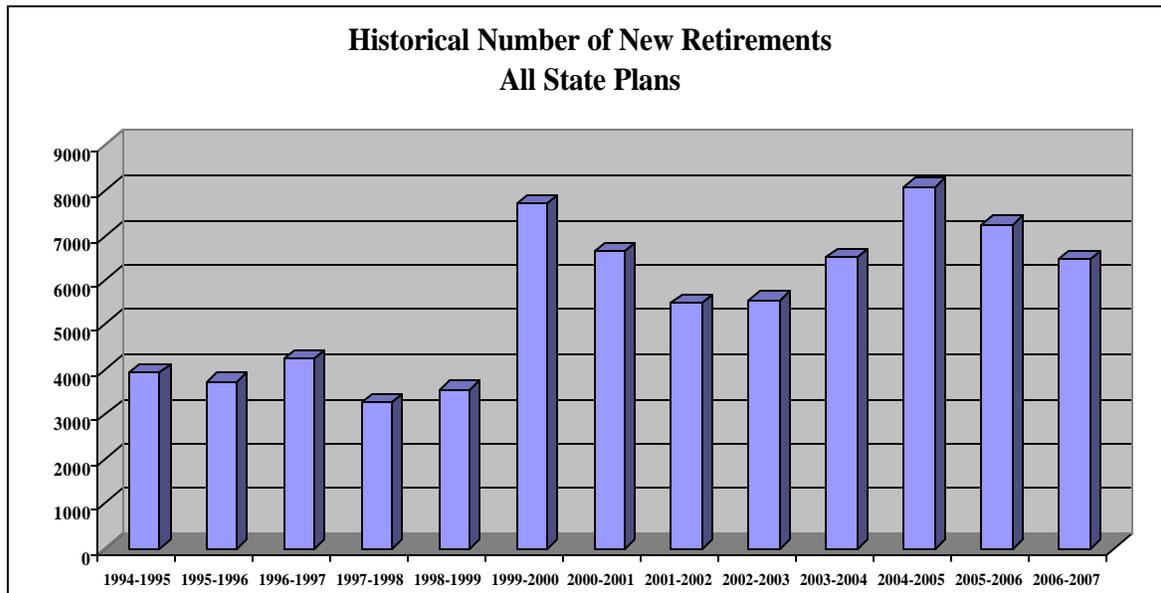
### **Schools Pool**

<u>Reason for Change</u>	<u>Change in Required Contribution (millions)</u>
Increase due to growth in payroll and normal progression of existing amortization bases	\$33.1
First installment of the 30 year amortization of the following actuarial gains and losses:	
<ul style="list-style-type: none"> <li>• Greater than expected investment return in fiscal year 2006-2007 and previously unrecognized investment gains</li> </ul>	(31.0)
<ul style="list-style-type: none"> <li>• Greater than expected number of retirements in fiscal year 2006-2007</li> </ul>	43.7
<ul style="list-style-type: none"> <li>• Greater than expected contributions received in fiscal year 2005-2006 (higher than expected payroll)</li> </ul>	(1.6)
<ul style="list-style-type: none"> <li>• Other gains and losses</li> </ul>	2.6
<b>Total Change in required contributions</b>	<b>\$46.8</b>

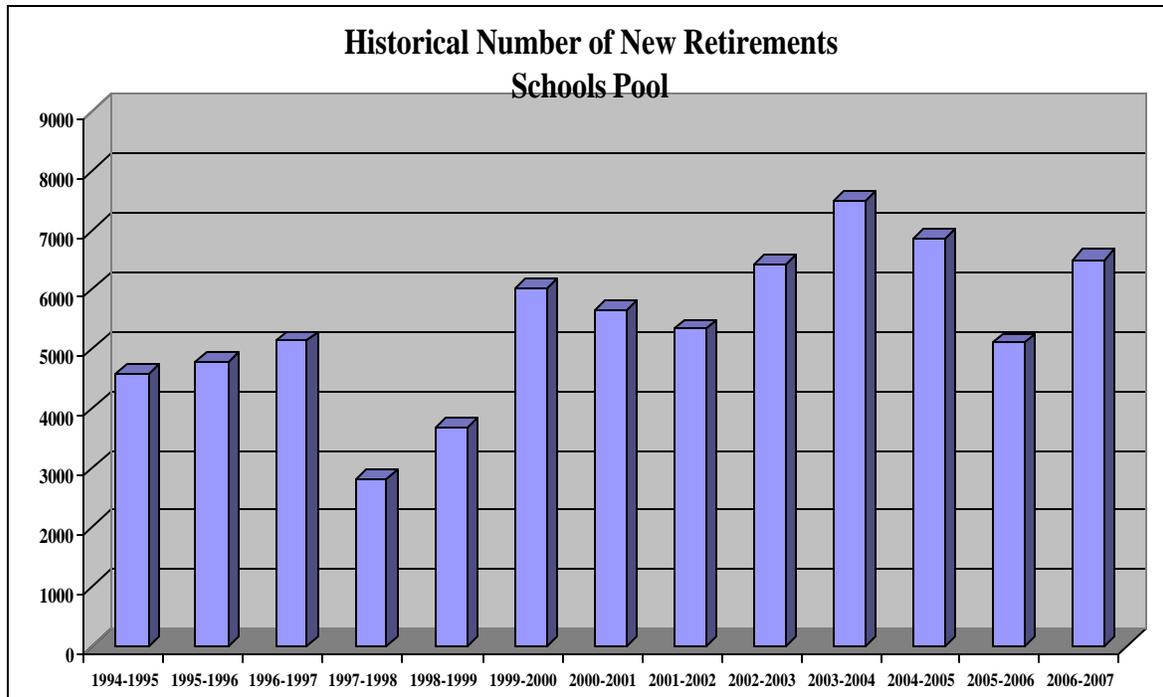
## Recent Pattern of Retirements

There continues to be unexpectedly higher numbers of retirement in fiscal year 2006-2007. The number of retirements continues to be at a higher level than anticipated by the actuarial assumptions, albeit at a rate approaching that anticipated by the assumptions. The number of State retirements between fiscal year 2005-2006 and fiscal year 2006-2007 has decreased by about 10%. In fiscal year 2006-2007, the number of State retirements was 13% greater than expected by the actuarial assumptions.

As can be seen in the chart below for the State plans, the years before the passage of SB 400 saw smaller numbers of retirement. In 2000 with the passage of SB 400, the number of retirements increased. This was expected when SB 400 costs were determined, as the costs were based on this increased number of retirements. In the following three years, the number of retirements decreased. CalPERS actuaries conducted an experience study which was based on the three years of experience that followed the implementation of SB 400. The study showed that the number of retirements after SB 400 was lower than anticipated in the SB 400 cost analysis which led the actuarial office to lower the assumption about the anticipated number of retirements. Since the completion of that study, we are seeing numbers of retirements higher than expected by the actuarial assumptions. However recent years have shown that the rate of retirements is approaching those predicted by the assumptions.



The chart below shows the historical number of new retirements for the Schools pool. As can be seen the number of retirements has also increased over the last few years.



While one may speculate about several factors which may account for this higher level of retirements, it is too soon to determine if this trend will continue in the future. Also, as noted above, 2006-2007 saw an increase in the number of retirements compared to 2005-2006. This current level of retirements is nearly 20% higher than our actuarial assumptions predict.

The Actuarial Office recently started working on an experience study. The current schedule is for this experience study to be completed in the spring of 2009. In that study we will be looking at demographic experience and deciding whether or not changes to existing actuarial assumptions are necessary and appropriate. That study will include the period covering this recent pattern in retirements. The main concern with reacting to sudden changes in behaviors and modifying assumptions is the fact that one would be changing actuarial assumptions and impacting employer rates each time a sudden change in behavior occurs, even if that change is temporary. We might need to wait until there is evidence that such a trend will continue in the long term before making significant changes to the actuarial assumptions.

## History of the Expected Contribution Requirements

The following table shows the history the employer contributions set by CalPERS based on projected payroll for the State plans and the Schools pool going back to fiscal year 1996-1997.

<b>Fiscal Year</b>	<b>Total State Contributions</b>	<b>Total School Contributions</b>
1996-97	\$1,236,447,373	\$ 416,694,314
1997-98	1,223,327,746	317,571,853
1998-99	766,067,149	0
1999-00	159,460,097	0
2000-01	156,722,747	0
2001-02	677,244,769	0
2002-03	1,189,559,722	228,972,653
2003-04	2,212,518,481	869,501,830
2004-05	2,547,364,178	903,570,002
2005-06	2,428,720,628	826,672,339
2006-07	2,665,262,125	841,504,282
2007-08	2,746,929,250	919,528,538
2008-09	\$3,025,181,372	\$966,316,743

## Funded Status of the Plans

The table below summarizes the funded status of the State plans and the Schools pool as of June 30, 2007 on a market value basis. We are monitoring the funded status of the State plans and the Schools pool using the market value of assets to ensure that the new rate stabilization methods do not impair the security of benefits. The actuarial value of assets is used for rate setting only and is not a true measure of the plan's ability to pay benefits. Refer to pages 53 and 54 for the development of market and actuarial values of assets.

### Funded Status of the Plans on a Market Value Basis June 30, 2007

<b>Plan</b>	<b>Entry Age Normal Accrued Liability</b>	<b>Market Value of Assets</b>	<b>Funded Ratio</b>
State Miscellaneous	\$ 65,341,718,678	\$ 64,441,849,429	98.6%
State Industrial	2,043,852,618	2,119,415,576	103.7%
State Safety	4,467,413,982	4,341,684,190	97.2%
State Peace Officers and Firefighters	22,249,944,520	20,538,693,729	92.3%
California Highway Patrol	6,248,788,122	5,546,162,490	88.8%
<b>Total State</b>	<b>\$ 100,351,717,920</b>	<b>\$ 96,987,805,414</b>	<b>96.6%</b>
Schools	44,810,073,409	48,292,932,434	107.8%

The table below shows the funded status of the State plans and the School pool for the last five years. As can be seen, the funded status on a market value has continued to improve over this period.

<b>Funded Ratio of the Retirement Program (Based on the Market Value of Assets)</b>					
	<b>June 30, 2003</b>	<b>June 30, 2004</b>	<b>June 30, 2005</b>	<b>June 30, 2006</b>	<b>June 30, 2007</b>
State Miscellaneous	76.3%	83.1%	86.2%	89.8%	98.6%
State Industrial	82.1%	88.3%	90.4%	95.0%	103.7%
State Safety	73.5%	81.3%	86.4%	89.2%	97.2%
State Police Officers & Firefighters	77.6%	83.0%	84.4%	86.0%	92.3%
California Highway Patrol	73.1%	78.7%	79.4%	81.5%	88.8%
<b>Total State</b>	<b>76.4%</b>	<b>82.9%</b>	<b>85.5%</b>	<b>88.6%</b>	<b>96.6%</b>
Schools	83.4%	91.4%	96.2%	98.7%	107.8%

## Changes Since the Prior Valuation

### ACTUARIAL ASSUMPTIONS

There were no changes in the actuarial assumptions. Appendix A contains a listing of assumptions.

### METHODS

There were no changes in methods since the prior valuation.

### PLAN PROVISIONS

There were no changes in plan provisions since the prior valuation.

## Subsequent Events

### BENEFIT CHANGES

AB 2936 (2005-2006 Legislative Session) removed the increase in final compensation used for calculating retirement benefits provided by SB 439 (2003-2004 Legislative Session) for California Highway Patrol members employed in Bargaining Unit 5. The increase in final compensation will be reduced according to the following schedule:

- 8% for members who retire or die on or after July 1, 2004, and prior to July 1, 2007
- 6% for members who retire or die on or after July 1, 2007, and prior to July 1, 2008
- 4% for members who retire or die on or after July 1, 2009, and prior to July 1, 2009
- 2% for members who retire or die on or after July 1, 2009, and prior to July 1, 2010
- No increase for members who retire or die on or after July 1, 2010

This benefit change was not incorporated in this valuation and as a result the costs of the California Highway Patrol plan are overstated. However, due to the fact that the benefit change is a reduction in benefits, the number of retirements since the passage of AB 2936 has far exceeded the number of retirements expected from the actuarial assumptions. California Highway Patrol members are retiring at a pace two to three times the assumed pace. Not reflecting this expected increase in the number of retirements has resulted in an understatement of costs for the California Highway Patrol plan. The combined impact in this valuation of not reflecting this benefit reduction has been deemed immaterial. This issue will be revisited in the next valuation.

## Summary of Liabilities and Rates

- COMPARISON OF CURRENT AND PRIOR YEAR
- DEVELOPMENT OF ACCRUED AND UNFUNDED LIABILITIES
- DEVELOPMENT OF EMPLOYER CONTRIBUTION RATES
- SCHEDULE OF AMORTIZATION BASES FOR THE RETIREMENT PROGRAM
- GAIN/LOSS ANALYSIS
- DEVELOPMENT OF GROUP TERM LIFE INSURANCE CONTRIBUTIONS
- RECONCILIATION OF EMPLOYER CONTRIBUTION RATES
- RECONCILIATION OF EMPLOYER CONTRIBUTIONS
- EMPLOYER CONTRIBUTION RATE HISTORY
- HISTORY OF FUNDED STATUS AND FUNDING PROGRESS

## Comparison of Current and Prior Year

Shown below are the key valuation results for the current valuation compared to the corresponding results from the prior valuation.

### STATE MISCELLANEOUS

#### Participant Information

	June 30, 2006	June 30, 2007
Members Included in the Valuation <sup>1</sup>		
Active Members Tier 1	145,538	146,503
Active Members Tier 2	10,180	9,292
Subtotal Active Members	155,718	155,795
Transfers from Tier 1	21,730	22,094
Transfers from Tier 2	13,379	12,992
Subtotal Transfers	35,109	35,086
Vested Terminations Tier 1	36,499	37,896
Vested Terminations Tier 2	<u>2,022</u>	<u>2,084</u>
Subtotal Vested Terminations <sup>2</sup>	38,521	39,980
Receiving Payments Tier 1	137,373	142,923
Receiving Payments Tier 2	<u>3,968</u>	<u>4,058</u>
Subtotal Receiving Payments	141,341	146,981
Subtotal Tier 1	341,140	349,416
Subtotal Tier 2	29,549	28,426
Grand Total	370,689	377,842
Average Entry Age of Active Members Tier 1	34.1	34.2
Average Entry Age of Active Members Tier 2	32.8	32.7
Average Age of Active Members Tier 1	47.5	47.8
Average Age of Active Members Tier 2	46.4	47.3
Average Pay Tier 1	\$ 54,501	\$ 57,908
Average Pay Tier 2	<u>46,128</u>	<u>49,015</u>
Average Pay Total	\$ 53,953	\$ 57,377
Covered Payroll Prior Fiscal Year		
Tier 1	\$ 7,931,914,461	\$ 8,483,635,414
Tier 2	469,584,423	455,445,891
Total	\$ 8,401,498,884	\$ 8,939,081,305
Projected Payroll for Contribution Rate		
Tier 1	\$ 8,496,230,702	\$ 9,093,024,514
Tier 2	460,239,693	436,538,980
Total	\$ 8,956,470,395	\$ 9,529,563,494

- Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- Includes non-vested terminated participants with employee contributions remaining in the plan.

## STATE MISCELLANEOUS (CONTINUED)

**Funded Status of the Retirement Program**

	June 30, 2006	June 30, 2007
Present Value of Benefits	\$ 71,711,336,352	\$ 76,318,318,509
Accrued Liability	\$ 61,298,781,693	\$ 65,341,718,678
Market Value of Assets	\$ 55,050,669,310	\$ 64,441,849,429
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 6,248,112,383	\$ 899,869,249
Funded Status	89.8%	98.6%

**Employer Contribution**

	June 30, 2006	June 30, 2007
Tier 1 Contribution Required in Dollars		
Employer Normal Costs	\$ 842,316,312	\$ 899,936,636
Amortization of Unfunded Liability <sup>3</sup>	570,897,673	607,171,566
Group Term Life Benefits	-	-
Total	\$ 1,413,213,985	\$ 1,507,108,202
Tier 1 Contribution Required (Percent of Payroll)		
Employer Normal Costs	9.914%	9.897%
Amortization of Unfunded Liability <sup>3</sup>	6.719%	6.677%
Group Term Life Benefits	<u>0.000%</u>	<u>0.000%</u>
Total	16.633%	16.574%

Tier 2 Contribution Required in Dollars		
Employer Normal Costs	\$ 45,315,200	\$ 42,750,262
Amortization of Unfunded Liability <sup>3</sup>	30,925,451	29,149,163
Group Term Life Benefits	-	-
Total	\$ 76,240,651	\$ 71,899,425
Tier 2 Contribution Required (Percent of Payroll)		
Employer Normal Costs	9.846%	9.793%
Amortization of Unfunded Liability <sup>3</sup>	6.719%	6.677%
Group Term Life Benefits	<u>0.000%</u>	<u>0.000%</u>
Total	16.565%	16.470%

<sup>3</sup> For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## STATE INDUSTRIAL

**Participant Information**

	June 30, 2006	June 30, 2007
Members Included in the Valuation <sup>1</sup>		
Active Members	8,220	8,859
Transfers from Industrial	7,347	7,631
Vested Terminations <sup>2</sup>	2,528	2,573
Receiving Payments	7,196	7,570
Total	25,291	26,633
Average Entry Age of Active Members	36.5	36.9
Average Age of Active Members	46.0	46.1
Average Pay	\$ 43,487	\$ 46,631
Covered Payroll Prior Fiscal Year	\$ 357,463,400	\$ 413,104,094
Projected Payroll for Contribution Rate	\$ 381,076,092	\$ 440,392,201

- Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2006	June 30, 2007
Present Value of Benefits	\$ 2,469,160,177	\$ 2,732,292,503
Accrued Liability	\$ 1,870,225,645	\$ 2,043,852,618
Market Value of Assets	\$ 1,776,295,321	\$ 2,119,415,576
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 93,930,324	\$ (75,562,958)
Funded Status	95.0%	103.7%

**Employer Contribution**

	June 30, 2006	June 30, 2007
Contribution Required in Dollars		
Employer Normal Costs	\$ 52,096,912	\$ 60,307,308
Amortization of Unfunded Liability <sup>3</sup>	13,903,497	15,412,445
Group Term Life Benefits	99,080	184,965
Total	\$ 66,099,489	\$ 75,904,718
Contribution Required (Percent of Payroll)		
Employer Normal Costs	13.671%	13.694%
Amortization of Unfunded Liability <sup>3</sup>	3.648%	3.500%
Group Term Life Benefits	0.026%	0.042%
Total	17.345%	17.236%

- For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## STATE SAFETY

**Participant Information**

	June 30, 2006	June 30, 2007
Members Included in the Valuation <sup>1</sup>		
Active Members	20,149	22,852
Transfers From State Safety	3,964	4,222
Vested Terminations <sup>2</sup>	3,067	3,458
Receiving Payments	13,481	14,074
Total	40,661	44,606
Average Entry Age of Active Members	41.1	41.0
Average Age of Active Members	47.7	47.4
Average Pay	\$ 57,063	\$ 62,820
Covered Payroll Prior Fiscal Year	\$ 1,149,766,439	\$ 1,435,571,609
Projected Payroll for Contribution Rate	\$ 1,225,715,698	\$ 1,530,400,086

- 1 Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- 2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2006	June 30, 2007
Present Value of Benefits	\$ 5,853,366,217	\$ 6,898,147,674
Accrued Liability	\$ 3,906,962,294	\$ 4,467,413,982
Market Value of Assets	\$ 3,486,188,237	\$ 4,341,684,190
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 420,774,057	\$ 125,729,792
Funded Status	89.2%	97.2%

**Employer Contribution**

	June 30, 2006	June 30, 2007
Contribution Required in Dollars		
Employer Normal Costs	\$ 190,108,505	\$ 235,344,925
Amortization of Unfunded Liability <sup>3</sup>	40,754,905	46,127,243
Group Term Life Benefits	-	290,776
Total	\$ 230,863,410	\$ 281,762,944
Contribution Required (Percent of Payroll)		
Employer Normal Costs	15.510%	15.378%
Amortization of Unfunded Liability <sup>3</sup>	3.325%	3.014%
Group Term Life Benefits	0.000%	0.019%
Total	18.835%	18.411%

- 3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## STATE PEACE OFFICERS AND FIREFIGHTERS

**Participant Information**

	June 30, 2006	June 30, 2007
Members Included in the Valuation <sup>1</sup>		
Active Members	42,477	44,864
Transfers from State POFF	8,884	7,782
Vested Terminations <sup>2</sup>	5,649	5,410
Receiving Payments	17,803	19,436
Total	74,813	77,492
Average Entry Age of Active Members	30.3	30.2
Average Age of Active Members	41.6	41.1
Average Pay	\$ 67,525	\$ 71,511
Covered Payroll Prior Fiscal Year	\$ 2,868,260,921	\$ 3,208,256,151
Projected Payroll for Contribution Rate	\$ 3,057,727,481	\$ 3,420,181,521

- Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2006	June 30, 2007
Present Value of Benefits	\$ 26,396,328,821	\$ 29,769,106,076
Accrued Liability	\$ 19,737,050,901	\$ 22,249,944,520
Market Value of Assets	\$ 16,972,811,559	\$ 20,538,693,729
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 2,764,239,342	\$ 1,711,250,791
Funded Status	86.0%	92.3%

**Employer Contribution**

	June 30, 2006	June 30, 2007
Contribution Required in Dollars		
Employer Normal Costs	\$ 540,942,569	\$ 603,867,249
Amortization of Unfunded Liability <sup>3</sup>	240,372,126	287,555,576
Group Term Life Benefits	-	-
Total	\$ 781,314,695	\$ 891,422,825
Contribution Required (Percent of Payroll)		
Employer Normal Costs	17.691%	17.656%
Amortization of Unfunded Liability <sup>3</sup>	7.861%	8.408%
Group Term Life Benefits	0.000%	0.000%
Total	25.552%	26.064%

- For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## CALIFORNIA HIGHWAY PATROL

**Participant Information**

	June 30, 2006	June 30, 2007
Members Included in the Valuation <sup>1</sup>		
Active Members	6,824	6,926
Transfers from CHP	310	319
Vested Terminations <sup>2</sup>	320	312
Receiving Payments	6,986	7,169
Total	14,440	14,726
Average Entry Age of Active Members	26.3	26.3
Average Age of Active Members	39.6	39.5
Average Pay	\$ 76,470	\$ 83,027
Covered Payroll Prior Fiscal Year	\$ 521,831,866	\$ 575,045,858
Projected Payroll for Contribution Rate	\$ 556,302,122	\$ 613,031,231

- Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2006	June 30, 2007
Present Value of Benefits	\$ 7,017,124,633	\$ 7,654,099,593
Accrued Liability	\$ 5,743,982,138	\$ 6,248,788,122
Market Value of Assets	\$ 4,681,573,711	\$ 5,546,162,490
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 1,062,408,427	\$ 702,625,632
Funded Status	81.5%	88.8%

**Employer Contribution**

	June 30, 2006	June 30, 2007
Contribution Required in Dollars		
Employer Normal Costs	\$ 92,390,656	\$ 101,695,751
Amortization of Unfunded Liability <sup>3</sup>	86,266,751	95,117,773
Group Term Life Benefits	539,613	269,734
Total	\$ 179,197,020	\$ 197,083,258
Contribution Required (Percent of Payroll)		
Employer Normal Costs	16.608%	16.589%
Amortization of Unfunded Liability <sup>3</sup>	15.507%	15.516%
Group Term Life Benefits	0.097%	0.044%
Total	32.212%	32.149%

- For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## SCHOOLS

**Participant Information**

	<b>June 30, 2006</b>	<b>June 30, 2007</b>
Members Included in the Valuation <sup>1</sup>		
Active Members	279,605	290,279
Transfers from Schools	23,976	25,483
Vested Terminations <sup>2</sup>	137,261	142,208
Receiving Payments	159,826	165,908
Total	600,668	623,878
Average Entry Age of Active Members	36.6	36.7
Average Age of Active Members	46.1	46.1
Average Pay	\$ 33,149	\$ 33,122
Covered Payroll Prior Fiscal Year	\$ 9,268,637,685	\$ 9,614,716,536
Projected Payroll for Contribution Rate	\$ 9,880,889,133	\$ 10,249,828,655

- 1 Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- 2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	<b>June 30, 2006</b>	<b>June 30, 2007</b>
Present Value of Benefits	\$ 52,608,993,794	\$ 56,366,819,597
Accrued Liability	\$ 41,408,653,061	\$ 44,810,073,409
Market Value of Assets	\$ 40,852,346,837	\$ 48,292,932,434
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 556,306,224	\$ (3,482,859,025)
Funded Status	98.7%	107.8%

**Employer Contribution**

	<b>June 30, 2006</b>	<b>June 30, 2007</b>
Contribution Required in Dollars		
Employer Normal Costs	\$ 733,260,783	\$ 759,922,296
Amortization of Unfunded Liability <sup>3</sup>	186,267,755	206,394,447
Total	\$ 919,528,538	\$ 966,316,743
Contribution Required (Percent of Payroll)		
Employer Normal Costs	7.421%	7.414%
Amortization of Unfunded Liability <sup>3</sup>	1.885%	2.014%
Total	9.306%	9.428%

- 3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## Development of Accrued and Unfunded Liabilities

The following table shows the development of the accrued liabilities and the unfunded liabilities based on the market value of assets and represent the true measure of the plan's ability to pay benefits.

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Present Value of Benefits						
a. Actives and Inactives	\$ 42,670,632,043	\$ 1,851,982,966	\$ 4,849,155,671	\$ 19,472,687,316	\$ 4,065,387,958	\$ 37,009,040,316
b. Retired	<u>33,647,686,466</u>	<u>880,309,537</u>	<u>2,048,992,003</u>	<u>10,296,418,760</u>	<u>3,588,711,635</u>	<u>19,357,779,281</u>
c. Total	\$ 76,318,318,509	\$ 2,732,292,503	\$ 6,898,147,674	\$ 29,769,106,076	\$ 7,654,099,593	\$ 56,366,819,597
2. Present Value of Future Employee Contributions	\$ 3,365,564,642	\$ 160,547,598	\$ 680,643,893	\$ 2,191,745,824	\$ 418,319,810	\$ 5,766,108,760
3. Present Value of Future Employer Normal Costs	\$ 7,611,035,189	\$ 527,892,287	\$ 1,750,089,799	\$ 5,327,415,732	\$ 986,991,661	\$ 5,790,637,428
4. Accrued Liability [(1c) - (2) - (3)]	\$ 65,341,718,678	\$ 2,043,852,618	\$ 4,467,413,982	\$ 22,249,944,520	\$ 6,248,788,122	\$ 44,810,073,409
5. Market Value of Assets (MVA)	\$ 64,441,849,429	\$ 2,119,415,576	\$ 4,341,684,190	\$ 20,538,693,729	\$ 5,546,162,490	\$ 48,292,932,434
6. Unfunded Liability/(Surplus) MVA Basis [(4) - (5)]	\$ 899,869,249	\$ (75,562,958)	\$ 125,729,792	\$ 1,711,250,791	\$ 702,625,632	\$ (3,482,859,025)
7. Funded Status MVA Basis [(5)/(4)]	98.6%	103.7%	97.2%	92.3%	88.8%	107.8%

## Development of Employer Contribution Rates

The following table shows the development of the unfunded liabilities based on the smoothed actuarial value of assets. The unfunded liability on an actuarial value of assets basis is used only for purposes of setting the employer contribution and keeping the contribution rates as smooth as possible from year to year.

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
Accrued Liability	\$ 65,341,718,678	\$ 2,043,852,618	\$ 4,467,413,982	\$ 22,249,944,520	\$ 6,248,788,122	\$ 44,810,073,409
Actuarial Value of Assets (AVA)	\$ 55,292,471,146	\$ 1,834,282,395	\$ 3,755,415,584	\$ 17,783,348,566	\$ 4,773,722,312	\$ 41,578,619,239
Unfunded Liability/(Surplus) AVA Basis	\$ 10,049,247,532	\$ 209,570,223	\$ 711,998,398	\$ 4,466,595,954	\$ 1,475,065,810	\$ 3,231,454,170

The following table shows the development of the employer contribution rates which includes the amortization of the unfunded liability calculated on an actuarial value of assets basis.

	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
Employer Contribution Amount							
Normal Cost	\$ 899,936,636	\$ 42,750,262	\$ 60,307,308	\$ 235,344,925	\$ 603,867,249	\$ 101,695,751	\$ 759,922,296
Payment on the Unfunded Liability	607,171,566	29,149,163	15,412,445	46,127,243	287,555,576	95,117,773	206,394,447
Payment for Term Life Benefits (Sec. 21600-21605)	-	-	184,965	290,776	-	269,734	N/A
Total Employer Contribution Amount	\$ 1,507,108,202	\$ 71,899,425	\$ 75,904,718	\$ 281,762,944	\$ 891,422,825	\$ 197,083,258	\$ 966,316,743
Projected Payroll	\$ 9,093,024,514	\$ 436,538,980	\$ 440,392,201	\$ 1,530,400,086	\$ 3,420,181,521	\$ 613,031,231	\$ 10,249,828,655
Employer Contribution (as a percent of payroll)							
Normal Cost	9.897%	9.793%	13.694%	15.378%	17.656%	16.589%	7.414%
Payment on the Unfunded Liability	6.677%	6.677%	3.500%	3.014%	8.408%	15.516%	2.014%
Payment for Term Life Benefits (Sec. 21600-21605)	0.000%	0.000%	0.042%	0.019%	0.000%	0.044%	N/A
Total Employer Contribution Rate	16.574%	16.470%	17.236%	18.411%	26.064%	32.149%	9.428%

## Schedule of Amortization Bases for the Retirement Program

The schedule below shows the development of the payment on the amortization bases used to determine the employer contribution rates. Each row of the schedule gives a brief description of a base (or portion of the Unfunded Actuarial Liability), the date the base was established, the balance of the base on the valuation date, and the number of years remaining in the amortization period. In addition, we show the expected payment for the year immediately following the valuation date, the balance on the date a year after the valuation date, and the scheduled payment for fiscal year 2008-2009. Please refer to Appendix A for an explanation of how amortization periods are determined.

### State Miscellaneous

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
Reclass of BU 7 Members	6/30/2005	18	\$ (95,138,414)	\$ (7,426,166)	\$ (94,803,081)	\$ (7,667,516)
New Rate Stabilization Policies	6/30/2004	17	\$ (203,131,912)	\$ (16,428,972)	\$ (201,820,919)	\$ (16,962,914)
Actuarial Equivalent Reduction Benefits	6/30/2004	17	\$ 281,758,259	\$ 22,788,141	\$ 279,939,819	\$ 23,528,755
Benefit Change (SB 1801)	6/30/2003	16	\$ (2,673,762)	\$ (224,728)	\$ (2,647,705)	\$ (232,032)
Assumption Change	6/30/2003	16	\$ 916,027,486	\$ 76,991,499	\$ 907,100,363	\$ 79,493,723
(Gain)/Loss	6/30/2000	30	\$ 9,021,859,743	\$ 518,283,927	\$ 9,183,061,176	\$ 551,451,791
Payment (Gain)/Loss	6/30/2001	30	\$ 130,546,132	\$ 27,882,724	\$ 111,720,438	\$ 6,708,921
Total			\$ 10,049,247,532	\$ 621,866,425	\$ 10,182,550,091	\$ 636,320,728

### State Industrial

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
New Rate Stabilization Policies	6/30/2004	17	\$ (6,973,439)	\$ (564,000)	\$ (6,928,433)	\$ (582,330)
Actuarial Equivalent Reduction Benefits	6/30/2004	17	\$ 12,666,321	\$ 1,024,431	\$ 12,584,574	\$ 1,057,725
(Gain)/Loss	6/30/2002	30	\$ 104,092,699	\$ 5,096,082	\$ 106,870,012	\$ 6,417,649
Payment (Gain)/Loss	6/30/2003	30	\$ 1,660,472	\$ 1,657,927	\$ 68,185	\$ 4,095
Assumption Change	6/30/2003	16	\$ 98,124,170	\$ 8,247,271	\$ 97,167,903	\$ 8,515,307
Total			\$ 209,570,223	\$ 15,461,711	\$ 209,762,241	\$ 15,412,446

## Schedule of Amortization Bases for the Retirement Program (Continued)

**State Safety**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
New Rate Stabilization Policies	6/30/2004	17	\$ (7,867,573)	\$ (636,316)	\$ (7,816,796)	\$ (656,996)
(Gain)/Loss	6/30/2001	30	\$ 609,752,185	\$ 31,741,826	\$ 624,059,108	\$ 37,475,359
Payment (Gain)/Loss	6/30/2002	30	\$ 477,915	\$ 10,514,406	\$ (10,399,283)	\$ (624,487)
Assumption Change	6/30/2003	16	\$ (3,557,988)	\$ (299,047)	\$ (3,523,314)	\$ (308,766)
Benefit Change (Arnett)	6/30/2002	15	\$ 113,193,859	\$ 9,919,742	\$ 111,669,424	\$ 10,242,133
Total			\$ 711,998,398	\$ 51,240,611	\$ 713,989,139	\$ 46,127,243

**State Peace Officers and Firefighters**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
Benefit Change (SB 65)	6/30/2006	19	\$ 293,810,802	\$ 22,191,870	\$ 293,545,379	\$ 22,913,106
New Rate Stabilization Policies	6/30/2004	17	\$ (58,193,242)	\$ (4,706,573)	\$ (57,817,669)	\$ (4,859,536)
(Gain)/Loss	6/30/2002	30	\$ 3,858,754,314	\$ 190,915,506	\$ 3,959,632,329	\$ 237,779,788
Payment (Gain)/Loss	6/30/2003	30	\$ (31,100,253)	\$ 19,317,207	\$ (53,562,304)	\$ (3,216,469)
Benefit Change (SB 183)	6/30/2004	17	\$ 18,990,464	\$ 1,535,917	\$ 18,867,901	\$ 1,585,835
Assumption Change	6/30/2003	16	\$ 384,333,867	\$ 32,303,005	\$ 380,588,351	\$ 33,352,853
Total			\$ 4,466,595,954	\$ 261,556,932	\$ 4,541,253,987	\$ 287,555,577

## Schedule of Amortization Bases for the Retirement Program (Continued)

**California Highway Patrol**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
Benefit Change (SB 439)	6/30/2005	18	\$ 179,431,714	\$ 14,005,800	\$ 178,799,274	\$ 14,460,989
New Rate Stabilization Policies	6/30/2004	17	\$ (19,844,810)	\$ (1,605,015)	\$ (19,716,734)	\$ (1,657,178)
(Gain)/Loss	6/30/2001	30	\$ 1,240,716,977	\$ 67,469,486	\$ 1,266,837,396	\$ 76,074,823
Payment (Gain)/Loss	6/30/2002	30	\$ (3,437,147)	\$ 5,710,118	\$ (9,630,782)	\$ (578,338)
Assumption Change	6/30/2003	16	\$ 63,126,659	\$ 5,305,754	\$ 62,511,460	\$ 5,478,191
Benefit Change (SB 1801)	6/30/2003	16	\$ 10,001,063	\$ 840,583	\$ 9,903,598	\$ 867,902
Benefit Change (Arnett)	6/30/2002	15	\$ 2,103,195	\$ 184,313	\$ 2,074,870	\$ 190,304
Benefit Change (AB 2621)	6/30/2001	14	\$ 2,968,158	\$ 272,235	\$ 2,915,604	\$ 281,082
Total			\$ 1,475,065,810	\$ 92,183,274	\$ 1,493,694,686	\$ 95,117,775

**Schools**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2007	Expected Payment in 2007-2008	Amount Remaining on 6/30/2008	Scheduled Payment for Fiscal Year 2008-2009
(Gain)/Loss	6/30/2005	30	\$ 564,235,033	\$ 20,404,665	\$ 586,782,656	\$ 35,236,871
Payment (Gain)/Loss	6/30/2005	30	\$ (1,599,463)	\$ 1,471,778	\$ (3,251,166)	\$ (195,236)
Fresh Start	6/30/2004	27	\$ 2,668,818,600	\$ 165,959,140	\$ 2,703,381,978	\$ 171,352,812
Total			\$ 3,231,454,170	\$ 187,835,583	\$ 3,286,913,468	\$ 206,394,447

## Gain and Loss Analysis

## STATE MISCELLANEOUS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$ 9,547,583,056
2. Expected Payment on the Unfunded Liability during 2006-2007	606,342,859
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	716,880,302
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$ 9,658,120,499
5. Actual Unfunded Liability as of 6/30/07	10,049,247,532
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$ 391,127,033

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$ 1,836,979,967
2. Actual Contribution for 2006-2007	<u>2,040,059,944</u>
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$ (203,079,977)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$ 51,322,660,701
2. Contributions Received during 2006-2007	2,040,059,944
3. Benefits and Refunds Paid during 2006-2007	(3,116,893,346)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	3,936,557,488
5. Receivables for AER and Past Service Benefits	<u>456,559,339</u>
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 54,638,944,126
7. Actual Actuarial Value of Assets as of 6/30/07	<u>55,292,471,146</u>
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$ (653,527,020)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$ 391,127,033
2. Contribution (Gain)/Loss for 2006-2007 (B3)	(203,079,977)
3. Asset (Gain)/Loss for 2006-2007 (C8)	(653,527,020)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$ 1,247,734,030

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$ 8,516,387,163
2. Payment Made on the Balance during 2006-2007	525,684,274
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	640,029,823
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$ 8,630,732,711
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$	391,127,033
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$ 9,021,859,744

## Gain and Loss Analysis (Continued)

## STATE INDUSTRIAL

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$ 191,369,958
2. Expected Payment on the Unfunded Liability during 2006-2007	15,279,952
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (A2)]$	<u>14,250,121</u>
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$ 190,340,127
5. Actual Unfunded Liability as of 6/30/07	<u>209,570,223</u>
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$ 19,230,096

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$ 79,913,930
2. Actual Contribution for 2006-2007	91,494,876
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$ (11,580,946)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$ 1,664,644,192
2. Contributions Received during 2006-2007	91,494,876
3. Benefits and Refunds Paid during 2006-2007	(80,179,007)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1 + 0.0775)^{\frac{1}{2}} - 1) \times ((C2) + (C3))]$	129,440,233
5. Receivables for AER and Past Service Benefits	8,515,445
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 1,813,915,739
7. Actual Actuarial Value of Assets as of 6/30/07	<u>1,834,282,395</u>
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$ (20,366,656)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$ 19,230,096
2. Contribution (Gain)/Loss for 2006-2007 (B3)	(11,580,946)
3. Asset (Gain)/Loss for 2006-2007 (C8)	(20,366,656)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$ 51,177,698

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$ 85,030,678
2. Payment Made on the Balance during 2006-2007	6,510,380
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (E2)]$	<u>6,342,308</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$ 84,862,606
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$	19,230,096
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$ 104,092,702

## Gain and Loss Analysis (Continued)

## STATE SAFETY

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$ 628,707,454
2. Expected Payment on the Unfunded Liability during 2006-2007	44,897,402
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	<u>47,017,515</u>
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$ 630,827,567
5. Actual Unfunded Liability as of 6/30/07	<u>711,998,398</u>
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$ 81,170,831

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$ 295,335,549
2. Actual Contribution for 2006-2007	331,114,015
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$ (35,778,466)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$ 3,271,032,213
2. Contributions Received during 2006-2007	331,114,015
3. Benefits and Refunds Paid during 2006-2007	(160,479,103)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	259,993,726
5. Receivables for AER and Past Service Benefits	11,878,404
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 3,713,539,255
7. Actual Actuarial Value of Assets as of 6/30/07	<u>3,755,415,584</u>
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$ (41,876,329)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$ 81,170,831
2. Contribution (Gain)/Loss for 2006-2007 (B3)	(35,778,466)
3. Asset (Gain)/Loss for 2006-2007 (C8)	(41,876,329)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$ 158,825,626

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$ 517,854,630
2. Payment Made on the Balance during 2006-2007	28,329,717
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	<u>39,056,440</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$ 528,581,353
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$	81,170,831
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$ 609,752,184

## Gain and Loss Analysis (Continued)

## STATE PEACE OFFICERS AND FIREFIGHTERS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$ 3,709,080,754
2. Expected Payment on the Unfunded Liability during 2006-2007	201,795,207
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	279,780,097
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$ 3,787,065,644
5. Actual Unfunded Liability as of 6/30/07	4,466,595,954
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$ 679,530,310

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$ 930,259,909
2. Actual Contribution for 2006-2007	<u>1,056,712,676</u>
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$ (126,452,767)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$ 15,987,593,869
2. Contributions Received during 2006-2007	1,056,712,676
3. Benefits and Refunds Paid during 2006-2007	(751,696,115)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	1,250,637,382
5. Receivables for AER and Past Service Benefits	<u>43,290,385</u>
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 17,586,538,197
7. Actual Actuarial Value of Assets as of 6/30/07	<u>17,783,348,566</u>
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$ (196,810,369)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$ 679,530,310
2. Contribution (Gain)/Loss for 2006-2007 (B3)	(126,452,767)
3. Asset (Gain)/Loss for 2006-2007 (C8)	(196,810,369)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$ 1,002,793,446

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$ 3,120,062,430
2. Payment Made on the Balance during 2006-2007	175,952,329
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	235,113,904
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$ 3,179,224,005
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$	679,530,310
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$ 3,858,754,315

## Gain and Loss Analysis (Continued)

## CALIFORNIA HIGHWAY PATROL

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$ 1,336,841,404
2. Expected Payment on the Unfunded Liability during 2006-2007	79,536,387
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	100,580,681
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$ 1,357,885,698
5. Actual Unfunded Liability as of 6/30/07	1,475,065,810
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$ 117,180,112

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$ 206,701,933
2. Actual Contribution for 2006-2007	<u>237,374,893</u>
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$ (30,672,960)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$ 4,398,211,251
2. Contributions Received during 2006-2007	237,374,893
3. Benefits and Refunds Paid during 2006-2007	(265,841,408)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	339,778,877
5. Receivables for AER and Past Service Benefits	<u>9,024,401</u>
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 4,718,548,014
7. Actual Actuarial Value of Assets as of 6/30/07	<u>4,773,722,312</u>
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$ (55,174,298)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$ 117,180,112
2. Contribution (Gain)/Loss for 2006-2007 (B3)	(30,672,960)
3. Asset (Gain)/Loss for 2006-2007 (C8)	(55,174,298)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$ 203,027,370

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$ 1,102,678,271
2. Payment Made on the Balance during 2006-2007	62,232,459
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	83,091,054
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$ 1,123,536,866
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$	117,180,112
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$ 1,240,716,978

## Gain and Loss Analysis (Continued)

## SCHOOLS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/06	\$	2,947,748,984
2. Expected Payment on the Unfunded Liability during 2006-2007		162,993,196
3. Interest through 6/30/07 $[0.0775 \times (A1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (A2)]$		222,252,408
4. Expected Unfunded Liability as of 6/30/07 before all other changes $[(A1) - (A2) + (A3)]$	\$	3,007,008,196
5. Actual Unfunded Liability as of 6/30/07		3,231,454,170
6. Total (Gain)/Loss for 2006-2007 $[(A5) - (A4)]$	\$	224,445,974

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2006-2007	\$	1,543,063,919
2. Actual Contribution for 2006-2007		1,567,513,188
3. Contribution (Gain)/Loss for 2006-2007 $[(B1) - (B2)]$	\$	(24,449,269)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/06	\$	38,435,723,133
2. Contributions Received during 2006-2007		1,567,513,188
3. Benefits and Refunds Paid during 2006-2007		(1,895,474,918)
4. Expected Interest for 2006-2007 $[0.0775 \times (C1) + ((1+0.0775)^{\frac{1}{2}} - 1) \times ((C2) + (C3))]$		2,966,297,150
5. Receivables for AER and Past Service Benefits		24,966,886
6. Expected Actuarial Value of Assets as of 6/30/07 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$	41,099,025,439
7. Actual Actuarial Value of Assets as of 6/30/07		41,578,619,239
8. Asset (Gain)/Loss for 2006-2007 $[(C6) - (C7)]$	\$	(479,593,800)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2006-2007 (A8)	\$	224,445,974
2. Contribution (Gain)/Loss for 2006-2007 (B3)		(24,449,269)
3. Asset (Gain)/Loss for 2006-2007 (C8)		(479,593,800)
4. Liability (Gain)/Loss for 2006-2007 $[(D1) - (D2) - (D3)]$	\$	728,489,042

**E. Development of the (Gain)/Loss Balance as of 6/30/07**

1. (Gain)/Loss Balance as of 6/30/06	\$	313,740,190
2. Payment Made on the Balance during 2006-2007		(1,670,482)
3. Interest through 6/30/07 $[0.0775 \times (E1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (E2)]$		24,378,388
4. Scheduled (Gain)/Loss Balance as of 6/30/06 $[(E1) - (E2) + (E3)]$	\$	339,789,060
5. (Gain)/Loss for 2006-2007 $[(A8) \text{ above}]$		224,445,974
6. Final (Gain)/Loss Balance as of 6/30/07 $[(E4) + (E5)]$	\$	564,235,034

## Development of Group Term Life Insurance Contributions

	<b>State Miscellaneous</b>	<b>State Industrial</b>	<b>State Safety</b>	<b>State Peace Officers and Firefighters</b>	<b>California Highway Patrol</b>
1. GTLI Market Value of Assets as of June 30, 2006	\$ 12,328,421	\$ 291,994	\$ 2,144,925	\$ 3,406,349	\$ (167,142)
2. Contributions Received for GTLI During Fiscal Year 2006-2007	7,500,966	194,528	25,272	10	530,310
3. Benefits Paid for GTLI During Fiscal Year 2006-2007	(2,982,696)	(295,423)	(725,823)	(881,142)	(249,864)
4. Investment Return During Fiscal Year 2006-2007	<u>3,242,726</u>	<u>96,793</u>	<u>442,794</u>	<u>707,300</u>	<u>41,343</u>
5. GTLI Market Value of Assets as of June 30, 2007	\$ 20,089,417	\$ 287,892	\$ 1,887,168	\$ 3,232,517	\$ 154,647
6. Plan's Actuarial Value of Assets As a Percentage of Market Value of Assets	85.701%	86.492%	86.460%	86.556%	86.050%
7. GTLI Actuarial Value of Assets as of June 30, 2007	\$ 17,216,831	\$ 249,004	\$ 1,631,645	\$ 2,797,937	\$ 133,074
8. Expected GTLI Benefit Payments for Fiscal Year 2007-2008	\$ 5,331,607	\$ 285,544	\$ 1,274,300	\$ 1,842,299	\$ 263,619
9. Closed Group Projected Payroll for Fiscal Year 2007-2008	\$ 9,074,364,004	\$ 424,241,691	\$ 1,443,044,656	\$ 3,295,552,769	\$ 590,218,241
10. Required GTLI Contribution Rate [ (1.5 x (8) - 7, but not less than zero) / (9) ]	0.000%	0.042%	0.019%	0.000%	0.044%
11. Projected Payroll for Contributions	\$ 9,529,563,494	\$ 440,392,201	\$ 1,530,400,086	\$ 3,420,181,521	\$ 613,031,231
12. Required GTLI Contribution for Fiscal Year 2008-2009* [ (10) x (11) ]	\$ -	\$ 184,965	\$ 290,776	\$ -	\$ 269,734

## Reconciliation of Employer Contribution Rates

**Change in Normal Cost Rate from 2007-2008 to 2008-2009 for the Retirement Program**

	<u>State Miscellaneous</u>		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2007-2008 Normal Cost Rate	9.914%	9.846%	13.671%	15.510%	17.691%	16.608%	7.421%
Effect of (Gain)/Loss	-0.017%	-0.053%	0.023%	-0.132%	-0.035%	-0.019%	-0.007%
2008-2009 Normal Cost Rate	9.897%	9.793%	13.694%	15.378%	17.656%	16.589%	7.414%

**Change in Unfunded Liability Amortization Rate from 2007-2008 to 2008-2009 for the Retirement Program**

	<u>State Miscellaneous</u>		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2007-2008 Rate to Amortize the Unfunded Liability	6.719%	6.719%	3.648%	3.325%	7.861%	15.507%	1.885%
Effect of (Gain)/Loss	-0.042%	-0.042%	-0.148%	-0.311%	0.547%	0.009%	0.129%
2008-2009 Rate to Amortize the Unfunded Liability	6.677%	6.677%	3.500%	3.014%	8.408%	15.516%	2.014%

## Reconciliation of Employer Contribution Rates (Continued)

	Change in Group Term Life Rate from 2007-2008 to 2008-2009						
	State Miscellaneous		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2007-2008 Group Term Life Rate	0.000%	0.000%	0.026%	0.000%	0.000%	0.097%	N/A
Effect of (Gain)/Loss	0.000%	0.000%	0.016%	0.019%	0.000%	-0.053%	N/A
2008-2009 Group Term Life Rate	0.000%	0.000%	0.042%	0.019%	0.000%	0.044%	N/A

	Change in Total Rate from 2007-2008 to 2008-2009						
	State Miscellaneous		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2007-2008 Employer Rates	16.633%	16.565%	17.345%	18.835%	25.552%	32.212%	9.306%
Effect of (Gain)/Loss	-0.059%	-0.095%	-0.109%	-0.424%	0.512%	-0.063%	0.122%
2008-2009 Employer Rates	16.574%	16.470%	17.236%	18.411%	26.064%	32.149%	9.428%

## Reconciliation of Employer Contributions

Change in Normal Cost Contribution from 2007-2008 to 2008-2009 for the Retirement Program							
	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
2007-2008 Normal Cost Contribution	\$842,316,312	\$45,315,200	\$52,096,912	\$190,108,505	\$540,942,569	\$92,390,656	\$733,260,783
Effect of Change in Payroll	59,166,139	(2,333,572)	8,109,105	47,256,549	64,121,744	9,421,570	27,379,002
Effect of (Gain)/Loss	(1,545,815)	(231,366)	101,291	(2,020,129)	(1,197,064)	(116,475)	(717,489)
2008-2009 Normal Cost Contribution	\$899,936,636	\$42,750,262	\$60,307,308	\$235,344,925	\$603,867,249	\$101,695,751	\$759,922,296

Change in Unfunded Liability Amortization Contribution from 2007-2008 to 2008-2009 for the Retirement Program							
	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
2007-2008 Amortization of the Unfunded Liability	\$570,897,673	\$30,925,451	\$13,903,497	\$40,754,905	\$240,372,126	\$86,266,751	\$186,267,755
Effect of Progression of Amortization of Prior Unfunded Liability	13,317,528	(2,878,380)	361,797	773,807	4,535,036	1,637,695	5,701,661
Effect of (Gain)/Loss	<u>22,956,365</u>	<u>1,102,092</u>	<u>1,147,151</u>	<u>4,598,531</u>	<u>42,648,414</u>	<u>7,213,327</u>	<u>14,425,031</u>
2008-2009 Amortization of the Unfunded Liability	\$607,171,566	\$29,149,163	\$15,412,445	\$46,127,243	\$287,555,576	\$95,117,773	\$206,394,447

## Reconciliation of Employer Contributions (Continued)

Change in Group Term Life Contribution from 2007-2008 to 2008-2009							
	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
2007-2008 Group Term Life Contribution	\$0	\$0	\$99,080	\$0	\$0	\$539,613	N/A
Effect of Change in Payroll	0	0	15,422	0	0	55,027	N/A
Effect of (Gain)/Loss	-	-	70,463	290,776	-	(324,906)	N/A
2008-2009 Group Term Life Contribution	\$0	\$0	\$184,965	\$290,776	\$0	\$269,734	N/A

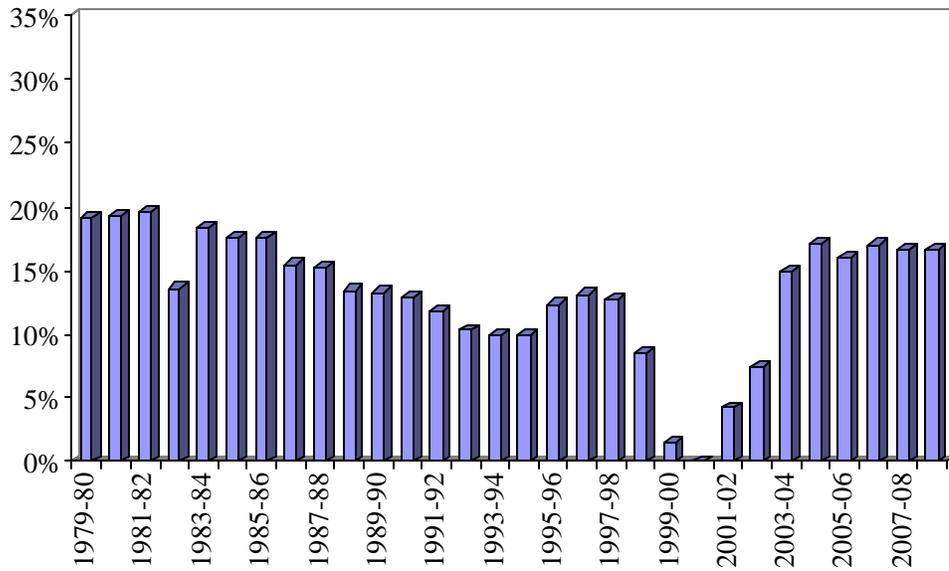
Change in Total Contribution from 2007-2008 to 2008-2009							
	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
2007-2008 Employer Contribution	\$1,413,213,985	\$76,240,651	\$66,099,489	\$230,863,410	\$781,314,695	\$179,197,020	\$919,528,538
Effect of Change in Payroll and Progression of Amortization of Prior Unfunded Liability	72,483,667	(5,211,952)	8,486,324	48,030,356	68,656,780	11,114,292	33,080,663
Effect of (Gain)/Loss	<u>21,410,550</u>	<u>870,726</u>	<u>1,318,905</u>	<u>2,869,178</u>	<u>41,451,350</u>	<u>6,771,946</u>	<u>13,707,542</u>
2008-2009 Employer Contribution	\$1,507,108,202	\$71,899,425	\$75,904,718	\$281,762,944	\$891,422,825	\$197,083,258	\$966,316,743

## Employer Contribution Rate History

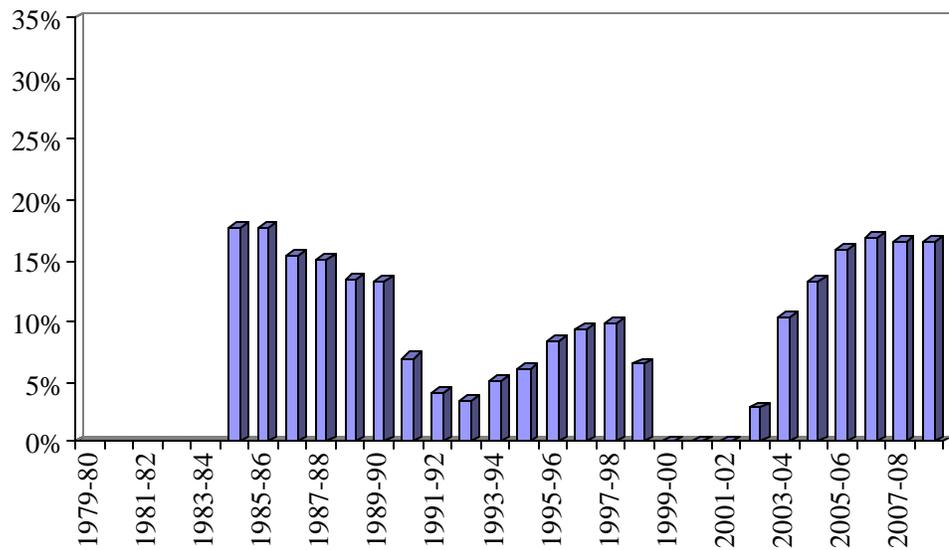
The table below provides a history of the contribution rates for the various State plans and the Schools plan. In cases where the contribution rate changed during the course of a fiscal year, the entry shown is the weighted average of the rates effective during the fiscal year.

<b>Fiscal Year</b>	<b>State Miscellaneous</b>		<b>State Industrial</b>	<b>State Safety</b>	<b>State Peace Officers and Firefighters</b>	<b>California Highway Patrol</b>	<b>Schools</b>
	<b>Tier 1</b>	<b>Tier 2</b>					
1979-80	19.188%		20.040%	20.106%		31.373%	12.515%
1980-81	19.247%		20.047%	20.145%		31.440%	13.119%
1981-82	19.563%		20.263%	20.409%		31.995%	13.020%
1982-83	13.559%		15.013%	16.381%		19.555%	12.045%
1983-84	18.262%		18.884%	20.615%		24.306%	12.378%
1984-85	17.604%	17.604%	19.976%	20.518%		25.292%	12.378%
1985-86	17.604%	17.604%	19.749%	20.518%	24.310%	24.868%	11.969%
1986-87	15.450%	15.450%	16.638%	22.522%	20.578%	22.150%	11.015%
1987-88	15.202%	15.038%	15.332%	19.229%	17.171%	20.859%	9.718%
1988-89	13.464%	13.413%	16.626%	17.296%	16.431%	18.453%	8.454%
1989-90	13.224%	13.218%	16.783%	17.424%	16.200%	18.318%	8.210%
1990-91	12.878%	6.975%	16.720%	17.916%	15.702%	18.090%	7.282%
1991-92	11.804%	3.986%	13.399%	17.376%	17.386%	21.721%	8.162%
1992-93	10.266%	3.391%	11.995%	15.698%	15.560%	17.074%	7.273%
1993-94	9.939%	5.005%	11.765%	15.485%	15.202%	16.940%	7.066%
1994-95	9.934%	5.947%	10.597%	13.927%	12.817%	15.552%	3.849%
1995-96	12.350%	8.326%	8.981%	14.228%	14.350%	14.778%	6.979%
1996-97	13.106%	9.345%	9.260%	14.656%	15.401%	15.851%	7.787%
1997-98	12.721%	9.822%	9.048%	13.754%	15.270%	15.515%	6.172%
1998-99	8.541%	6.437%	4.583%	9.440%	9.591%	13.541%	0.000%
1999-00	1.491%	0.000%	0.026%	7.487%	0.000%	13.345%	0.000%
2000-01	0.000%	0.000%	0.026%	6.808%	2.729%	13.711%	0.000%
2001-02	4.166%	0.036%	0.350%	12.923%	9.638%	16.897%	0.000%
2002-03	7.413%	2.813%	2.858%	17.055%	13.925%	23.076%	2.894%
2003-04	14.843%	10.265%	11.099%	21.930%	20.325%	32.653%	10.420%
2004-05	17.022%	13.216%	16.386%	20.773%	23.841%	33.434%	9.952%
2005-06	15.942%	15.890%	17.147%	19.026%	23.563%	26.396%	9.116%
2006-07	16.997%	16.778%	17.861%	19.294%	24.505%	31.463%	9.124%
2007-08	16.633%	16.565%	17.345%	18.835%	25.552%	32.212%	9.306%
2008-09	16.574%	16.470%	17.236%	18.411%	26.064%	32.149%	9.428%

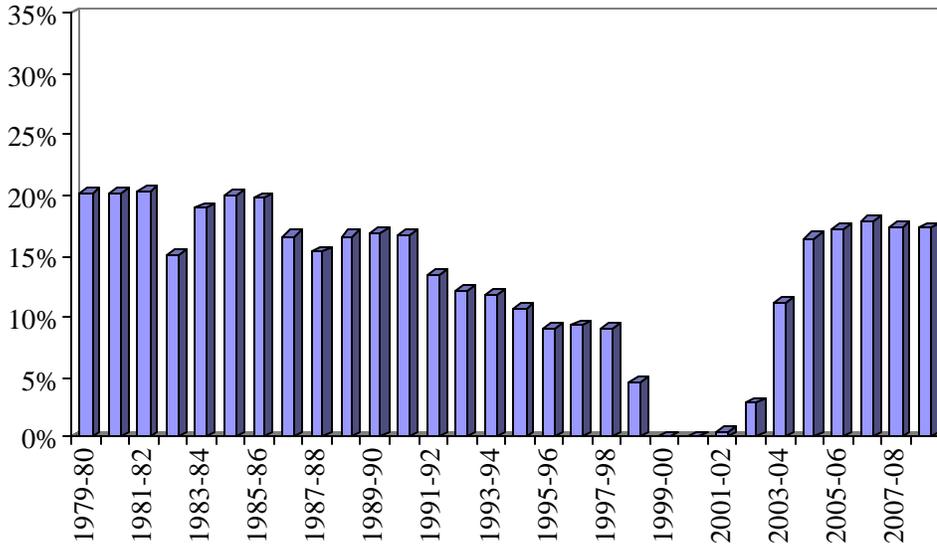
### State Miscellaneous Tier 1 Rates



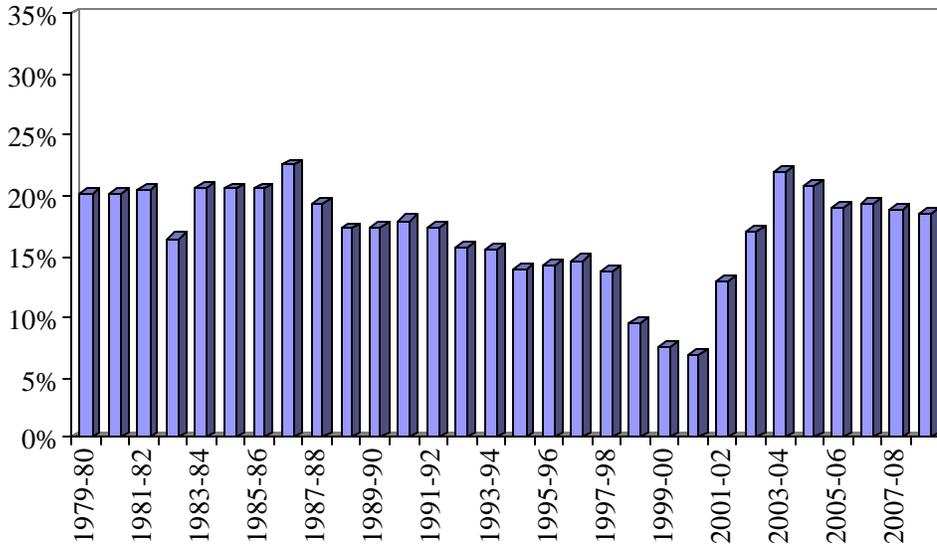
### State Miscellaneous Tier 2 Rates



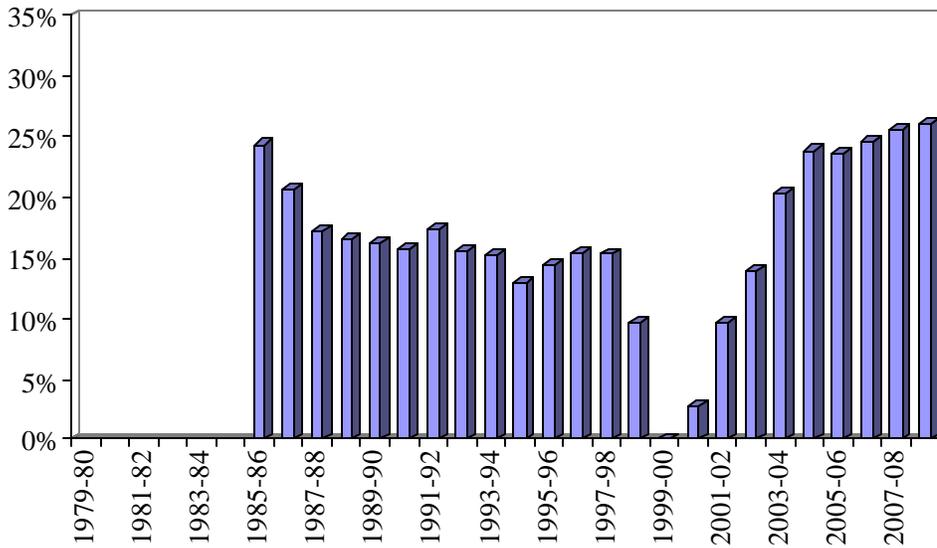
### State Industrial Rates



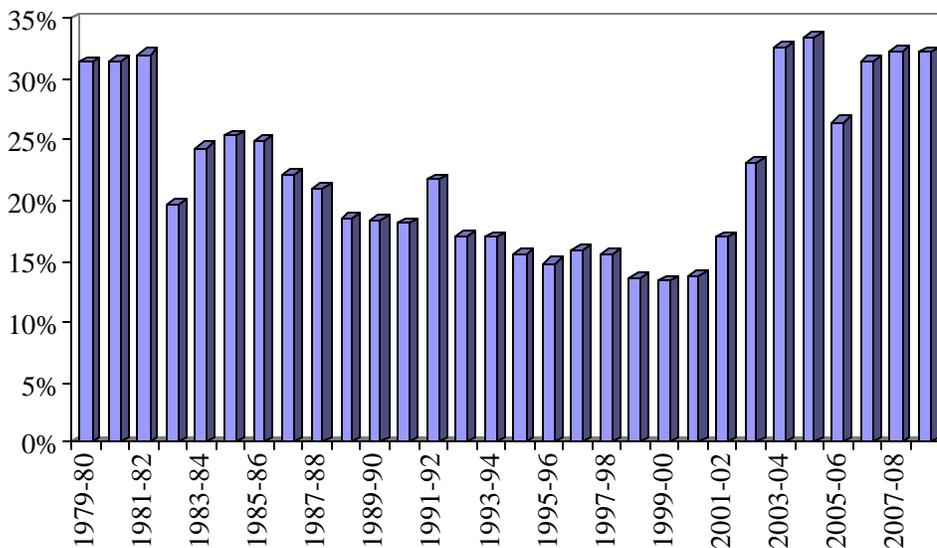
### State Safety Rates



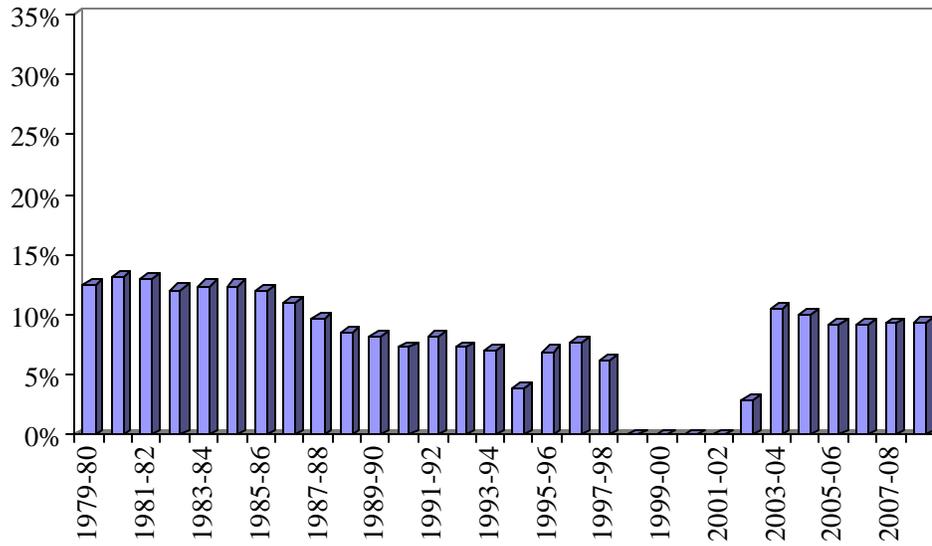
### State Peace Officers and Firefighters Rates



### California Highway Patrol Rates



### Schools Rates



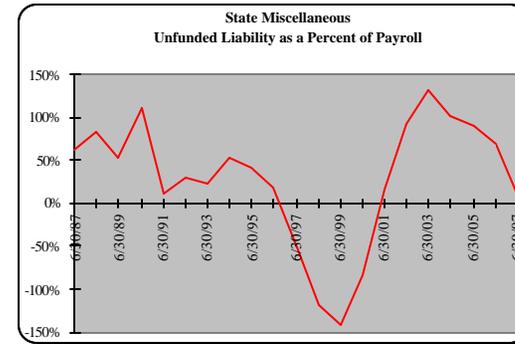
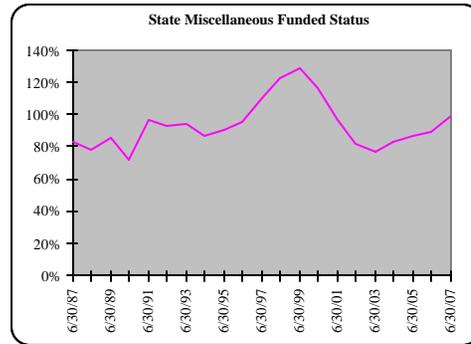
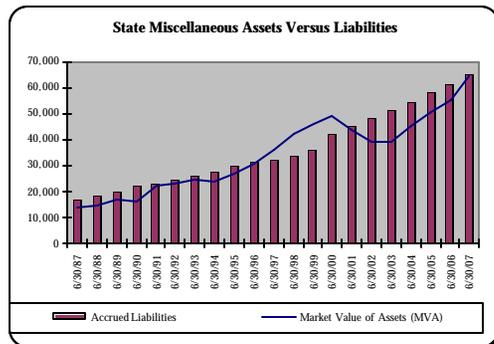
## History of Funded Status and Funding Progress

Shown below is the history of funding progress for the plans. One could view the trend in the ratio of the unfunded liability to covered payroll as a measure of the ability of the employer to address the unfunded liability.

### State Miscellaneous

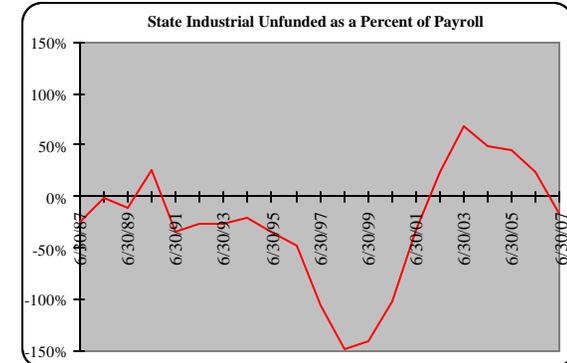
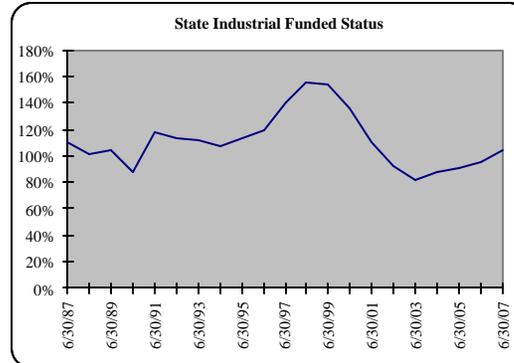
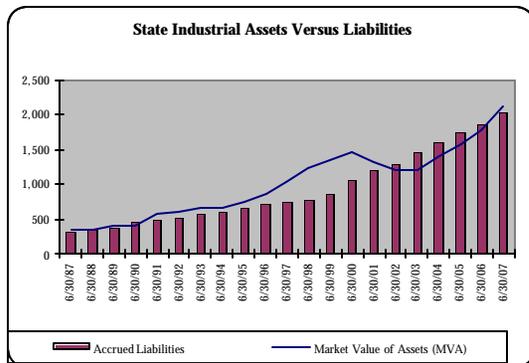
(Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$17,216.59	\$14,341.10	83.3%	\$2,875.49	\$4,632.96	62.1%
6/30/88	18,551.55	14,534.21	78.3%	\$4,017.34	4,912.26	81.8%
6/30/89	19,971.99	17,132.13	85.8%	\$2,839.87	5,348.02	53.1%
6/30/90	22,441.71	16,026.60	71.4%	\$6,415.10	5,815.86	110.3%
6/30/91	23,152.67	22,441.42	96.9%	\$711.24	6,302.82	11.3%
6/30/92	24,887.16	22,978.69	92.3%	\$1,908.47	6,242.74	30.6%
6/30/93	26,162.26	24,714.91	94.5%	\$1,447.35	6,310.21	22.9%
6/30/94	27,820.55	24,278.25	87.3%	\$3,542.30	6,826.52	51.9%
6/30/95	29,959.51	27,087.75	90.4%	\$2,871.76	7,009.46	41.0%
6/30/96	31,742.11	30,451.89	95.9%	\$1,290.22	6,881.12	18.8%
6/30/97	32,557.43	35,958.74	110.4%	(\$3,401.31)	6,623.62	-51.4%
6/30/98	34,169.38	42,011.09	122.9%	(\$7,841.72)	6,592.21	-119.0%
6/30/99	35,771.22	46,176.43	129.1%	(\$10,405.22)	7,332.11	-141.9%
6/30/00	42,386.05	49,207.61	116.1%	(\$6,821.57)	8,246.46	-82.7%
6/30/01	45,261.49	43,933.20	97.1%	\$1,328.30	8,815.88	15.1%
6/30/02	48,118.21	39,530.08	82.2%	\$8,588.13	9,238.43	93.0%
6/30/03	51,558.91	39,324.37	76.3%	\$12,234.54	9,207.49	132.9%
6/30/04	54,700.51	45,459.67	83.1%	\$9,240.84	9,078.96	101.8%
6/30/05	58,266.63	50,230.53	86.2%	\$8,036.10	8,896.91	90.3%
6/30/06	61,298.78	55,050.67	89.8%	\$6,248.11	8,956.47	69.8%
6/30/07	65,341.72	64,441.85	98.6%	\$899.87	9,529.56	9.4%



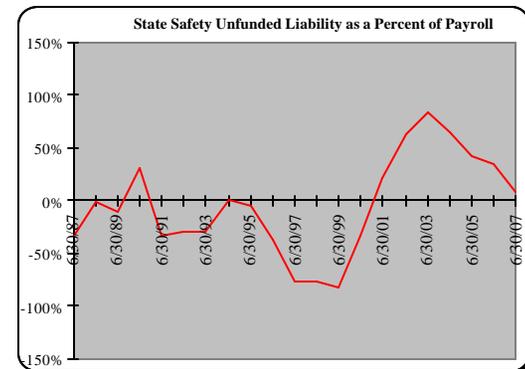
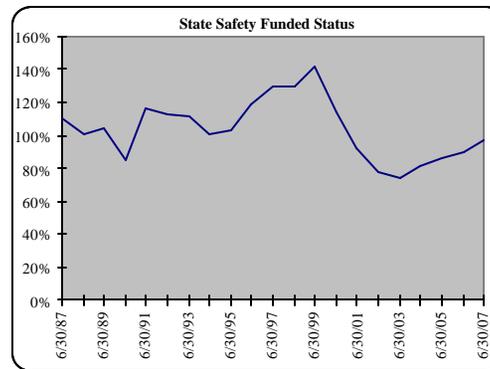
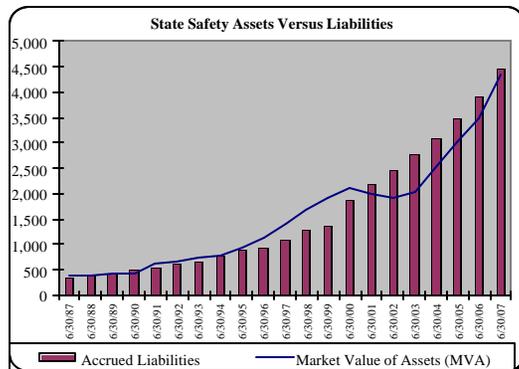
### State Industrial (Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$315.86	\$350.09	110.8%	(\$34.22)	\$146.17	-23.4%
6/30/88	344.81	\$347.47	100.8%	(\$2.66)	166.90	-1.6%
6/30/89	386.48	\$405.87	105.0%	(\$19.39)	191.17	-10.1%
6/30/90	459.94	\$401.13	87.2%	\$58.81	224.06	26.2%
6/30/91	492.36	\$579.06	117.6%	(\$86.71)	256.41	-33.8%
6/30/92	539.59	\$609.95	113.0%	(\$70.36)	268.41	-26.2%
6/30/93	596.89	\$667.52	111.8%	(\$70.63)	278.37	-25.4%
6/30/94	618.92	\$665.17	107.5%	(\$46.25)	235.06	-19.7%
6/30/95	659.45	\$750.80	113.9%	(\$91.35)	270.74	-33.7%
6/30/96	721.31	\$861.49	119.4%	(\$140.18)	293.77	-47.7%
6/30/97	740.68	\$1,042.38	140.7%	(\$301.69)	284.64	-106.0%
6/30/98	789.88	\$1,226.17	155.2%	(\$436.29)	296.55	-147.1%
6/30/99	880.05	\$1,359.58	154.5%	(\$479.53)	343.75	-139.5%
6/30/00	1,078.75	\$1,463.21	135.6%	(\$384.45)	379.44	-101.3%
6/30/01	1,196.07	\$1,325.06	110.8%	(\$128.99)	390.17	-33.1%
6/30/02	1,294.63	\$1,199.71	92.7%	\$94.92	389.72	24.4%
6/30/03	1,462.07	\$1,200.75	82.1%	\$261.32	381.30	68.5%
6/30/04	1,601.67	\$1,414.67	88.3%	\$187.01	377.65	49.5%
6/30/05	1,753.85	\$1,586.13	90.4%	\$167.72	379.50	44.2%
6/30/06	1,870.23	\$1,776.30	95.0%	\$93.93	381.08	24.6%
6/30/07	2,043.85	\$2,119.42	103.7%	(\$75.56)	440.39	-17.2%



**State Safety**  
(Dollars in Millions)

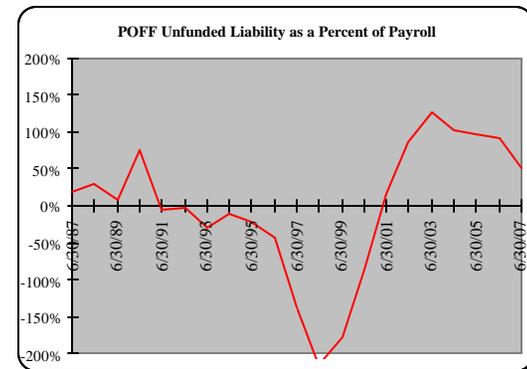
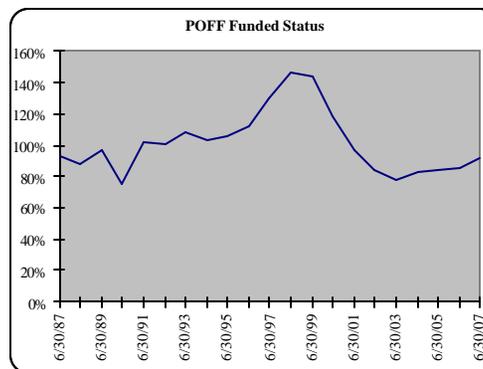
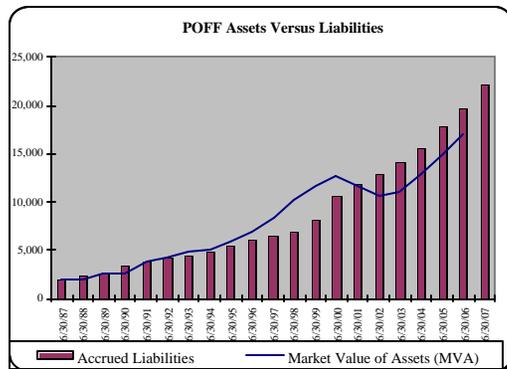
<u>Valuation Date</u>	<u>Actuarial Accrued Liabilities</u>	<u>Market Value of Assets (MVA)</u>	<u>Funded Status (MVA)</u>	<u>Unfunded Liabilities/ (Surplus) (MVA)</u>	<u>Projected Payroll for Contribution</u>	<u>Unfunded/ (Surplus) as a % of Payroll</u>
6/30/87	\$349.50	\$387.09	110.8%	(\$37.59)	\$112.68	-33.4%
6/30/88	369.94	\$372.43	100.7%	(\$2.49)	133.51	-1.9%
6/30/89	420.00	\$440.28	104.8%	(\$20.28)	184.89	-11.0%
6/30/90	498.73	\$425.64	85.3%	\$73.09	231.79	31.5%
6/30/91	548.01	\$636.70	116.2%	(\$88.70)	262.42	-33.8%
6/30/92	602.36	\$679.63	112.8%	(\$77.27)	262.99	-29.4%
6/30/93	644.22	\$721.61	112.0%	(\$77.39)	265.34	-29.2%
6/30/94	761.10	\$761.74	100.1%	(\$0.64)	385.40	-0.2%
6/30/95	913.75	\$936.36	102.5%	(\$22.61)	408.03	-5.5%
6/30/96	946.58	\$1,122.60	118.6%	(\$176.02)	473.79	-37.2%
6/30/97	1,086.00	\$1,403.64	129.2%	(\$317.64)	413.78	-76.8%
6/30/98	1,285.33	\$1,671.77	130.1%	(\$386.45)	510.51	-75.7%
6/30/99	1,363.94	\$1,927.29	141.3%	(\$563.35)	681.63	-82.6%
6/30/00	1,864.69	\$2,121.78	113.8%	(\$257.09)	759.19	-33.9%
6/30/01	2,179.43	\$1,999.67	91.8%	\$179.76	850.00	21.1%
6/30/02	2,476.47	\$1,925.90	77.8%	\$550.56	875.83	62.9%
6/30/03	2,788.06	\$2,049.31	73.5%	\$738.75	890.67	82.9%
6/30/04	3,087.45	\$2,508.66	81.3%	\$578.79	889.30	65.1%
6/30/05	3,472.58	\$2,999.91	86.4%	\$472.67	1,106.95	42.7%
6/30/06	3,906.96	\$3,486.19	89.2%	\$420.77	1,225.72	34.3%
6/30/07	4,467.41	\$4,341.68	97.2%	\$125.73	1,530.40	8.2%



### State Peace Officers and Firefighters

(Dollars in Millions)

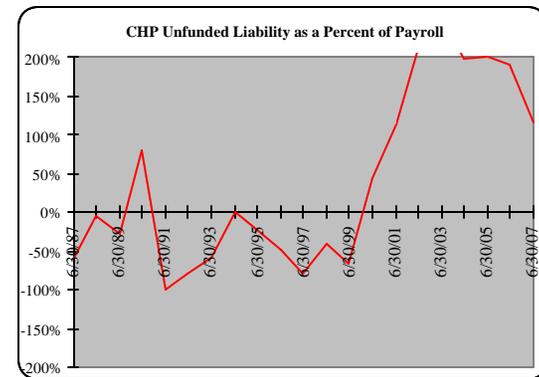
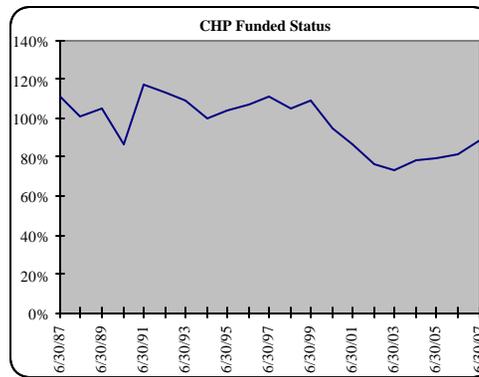
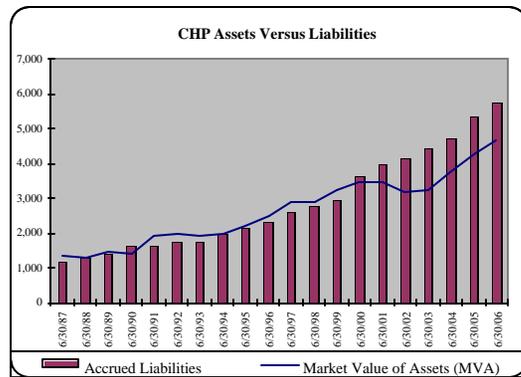
Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$2,046.60	\$1,902.78	93.0%	\$143.82	\$791.32	18.2%
6/30/88	2,323.22	\$2,060.31	88.7%	\$262.91	892.79	29.4%
6/30/89	2,664.98	\$2,594.85	97.4%	\$70.13	1,001.85	7.0%
6/30/90	3,439.63	\$2,585.12	75.2%	\$854.51	1,150.54	74.3%
6/30/91	3,773.05	\$3,854.02	102.1%	(\$80.97)	1,319.96	-6.1%
6/30/92	4,193.43	\$4,232.07	100.9%	(\$38.63)	1,332.15	-2.9%
6/30/93	4,475.70	\$4,867.29	108.7%	(\$391.58)	1,347.85	-29.1%
6/30/94	4,883.90	\$5,031.67	103.0%	(\$147.77)	1,504.71	-9.8%
6/30/95	5,552.00	\$5,892.10	106.1%	(\$340.10)	1,592.42	-21.4%
6/30/96	6,128.81	\$6,860.00	111.9%	(\$731.19)	1,653.57	-44.2%
6/30/97	6,494.67	\$8,435.81	129.9%	(\$1,941.14)	1,409.62	-137.7%
6/30/98	7,015.67	\$10,321.52	147.1%	(\$3,305.85)	1,540.44	-214.6%
6/30/99	8,091.24	\$11,684.90	144.4%	(\$3,593.66)	2,017.76	-178.1%
6/30/00	10,720.41	\$12,667.55	118.2%	(\$1,947.13)	2,227.34	-87.4%
6/30/01	11,949.04	\$11,574.35	96.9%	\$374.70	2,303.58	16.3%
6/30/02	12,826.58	\$10,731.13	83.7%	\$2,095.45	2,406.97	87.1%
6/30/03	14,219.50	\$11,037.85	77.6%	\$3,181.65	2,506.75	126.9%
6/30/04	15,668.42	\$12,998.58	83.0%	\$2,669.85	2,603.55	102.5%
6/30/05	17,753.24	\$14,984.69	84.4%	\$2,768.54	2,860.33	96.8%
6/30/06	19,737.05	\$16,972.81	86.0%	\$2,764.24	3,057.73	90.4%
6/30/07	22,249.94	\$20,538.69	92.3%	\$1,711.25	3,420.18	50.0%



### California Highway Patrol

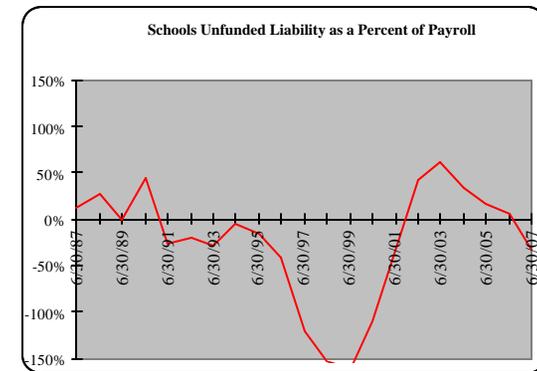
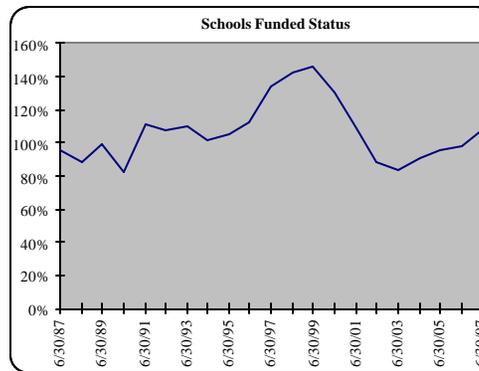
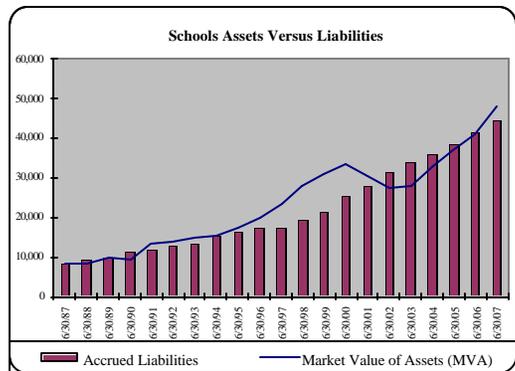
(Dollars in Millions)

<u>Valuation Date</u>	<u>Actuarial Accrued Liabilities</u>	<u>Market Value of Assets (MVA)</u>	<u>Funded Status (MVA)</u>	<u>Unfunded Liabilities/ (Surplus) (MVA)</u>	<u>Projected Payroll for Contribution</u>	<u>Unfunded/ (Surplus) as a % of Payroll</u>
6/30/87	\$1,196.54	\$1,325.90	110.8%	(\$129.35)	\$216.42	-59.8%
6/30/88	1,290.70	\$1,300.19	100.7%	(\$9.49)	226.20	-4.2%
6/30/89	1,414.86	\$1,483.64	104.9%	(\$68.79)	249.06	-27.6%
6/30/90	1,612.80	\$1,395.26	86.5%	\$217.54	271.01	80.3%
6/30/91	1,628.94	\$1,915.61	117.6%	(\$286.67)	287.52	-99.7%
6/30/92	1,732.68	\$1,956.27	112.9%	(\$223.60)	282.14	-79.2%
6/30/93	1,772.76	\$1,940.50	109.5%	(\$167.74)	278.84	-60.2%
6/30/94	1,970.53	\$1,968.32	99.9%	\$2.21	288.04	0.8%
6/30/95	2,133.61	\$2,206.59	103.4%	(\$72.98)	301.83	-24.2%
6/30/96	2,328.09	\$2,496.33	107.2%	(\$168.24)	343.47	-49.0%
6/30/97	2,620.57	\$2,911.76	111.1%	(\$291.18)	370.66	-78.6%
6/30/98	2,756.37	\$2,901.44	105.3%	(\$145.07)	366.98	-39.5%
6/30/99	2,983.40	\$3,249.25	108.9%	(\$265.84)	402.37	-66.1%
6/30/00	3,635.32	\$3,443.17	94.7%	\$192.15	433.10	44.4%
6/30/01	3,980.87	\$3,465.65	87.1%	\$515.22	455.09	113.2%
6/30/02	4,137.94	\$3,159.30	76.3%	\$978.64	461.05	212.3%
6/30/03	4,421.26	\$3,230.38	73.1%	\$1,190.87	475.73	250.3%
6/30/04	4,741.67	\$3,733.81	78.7%	\$1,007.86	508.61	198.2%
6/30/05	5,348.62	\$4,248.85	79.4%	\$1,099.77	546.14	201.4%
6/30/06	5,743.98	\$4,681.57	81.5%	\$1,062.41	556.30	191.0%
6/30/07	6,248.79	\$5,546.16	88.8%	\$702.63	613.03	114.6%



**Schools**  
(Dollars in Millions)

<u>Valuation Date</u>	<u>Actuarial Accrued Liabilities</u>	<u>Market Value of Assets (MVA)</u>	<u>Funded Status (MVA)</u>	<u>Unfunded Liabilities/ (Surplus) (MVA)</u>	<u>Projected Payroll for Contribution</u>	<u>Unfunded/ (Surplus) as a % of Payroll</u>
6/30/87	\$8,582.66	\$8,173.59	95.2%	\$409.07	\$3,605.26	11.3%
6/30/88	9,395.40	\$8,341.39	88.8%	\$1,054.01	3,768.65	28.0%
6/30/89	9,941.35	\$9,925.64	99.8%	\$15.72	4,054.28	0.4%
6/30/90	11,249.14	\$9,297.76	82.7%	\$1,951.37	4,392.59	44.4%
6/30/91	12,002.48	\$13,300.78	110.8%	(\$1,298.30)	4,849.84	-26.8%
6/30/92	12,855.90	\$13,815.63	107.5%	(\$959.73)	4,882.78	-19.7%
6/30/93	13,575.13	\$14,955.70	110.2%	(\$1,380.57)	4,852.84	-28.4%
6/30/94	15,135.82	\$15,373.38	101.6%	(\$237.56)	5,140.41	-4.6%
6/30/95	16,421.90	\$17,314.37	105.4%	(\$892.46)	5,350.87	-16.7%
6/30/96	17,571.63	\$19,706.46	112.1%	(\$2,134.83)	5,145.78	-41.5%
6/30/97	17,583.43	\$23,499.15	133.6%	(\$5,915.72)	4,907.43	-120.5%
6/30/98	19,499.14	\$27,873.56	142.9%	(\$8,374.42)	5,444.66	-153.8%
6/30/99	21,216.00	\$30,917.57	145.7%	(\$9,701.57)	5,961.02	-162.8%
6/30/00	25,473.96	\$33,295.07	130.7%	(\$7,821.11)	7,052.94	-110.9%
6/30/01	27,946.43	\$30,307.55	108.4%	(\$2,361.12)	7,912.23	-29.8%
6/30/02	31,271.16	\$27,689.90	88.5%	\$3,581.27	8,344.24	42.9%
6/30/03	33,792.88	\$28,182.01	83.4%	\$5,610.86	9,079.11	61.8%
6/30/04	35,932.74	\$32,828.49	91.4%	\$3,104.24	9,068.75	34.2%
6/30/05	38,367.52	\$36,898.25	96.2%	\$1,469.27	9,222.78	15.9%
6/30/06	41,408.65	\$40,852.35	98.7%	\$556.31	9,880.89	5.6%
6/30/07	44,810.07	\$48,292.93	107.8%	(\$3,482.86)	10,249.83	-34.0%



## Summary of Assets

- RECONCILIATION OF THE MARKET VALUE OF ASSETS OVER THE PRIOR FISCAL YEAR
- DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS
- ASSET ALLOCATION

## Reconciliation of the Market Value of Assets Over the Prior Fiscal Year

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Market Value of Assets as of June 30, 2006 Including Receivables for Tier 1 Conversion	\$ 55,050,669,310	\$ 1,776,295,321	\$ 3,486,188,237	\$ 16,972,811,559	\$ 4,681,573,711	\$ 40,852,346,837
2. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2006	\$ 428,537,936	\$ 14,211,495	\$ 7,380,053	\$ 40,218,853	\$ 8,929,483	\$ 25,180,944
3. Market Value of Assets as of June 30, 2006	\$ 54,622,131,374	\$ 1,762,083,826	\$ 3,478,808,184	\$ 16,932,592,706	\$ 4,672,644,228	\$ 40,827,165,893
4. Contributions Received during fiscal year 2006-2007	2,040,059,944	91,494,876	331,114,015	1,056,712,676	237,374,893	1,567,513,188
5. Benefit Payments in 2006-2007	(3,105,775,154)	(79,726,052)	(157,821,759)	(743,609,576)	(264,688,067)	(1,822,387,050)
6. Refunds in 2006-2007	(11,118,192)	(452,955)	(2,657,344)	(8,086,539)	(1,153,341)	(73,087,868)
7. Investment Return	10,439,992,118	337,500,436	680,362,690	3,257,794,077	892,960,376	7,768,761,385
8. Market Value of Assets as of June 30, 2007 [(3) + (4) + (5) + (6) + (7)]	\$ 63,985,290,090	\$ 2,110,900,131	\$ 4,329,805,786	\$ 20,495,403,344	\$ 5,537,138,089	\$ 48,267,965,548
9. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2007	\$ 456,559,339	\$ 8,515,445	\$ 11,878,404	\$ 43,290,385	\$ 9,024,401	\$ 24,966,886
10. Market Value of Assets as of June 30, 2007 Including Receivables for Tier 1 Conversion and Service Buybacks	\$ 64,441,849,429	\$ 2,119,415,576	\$ 4,341,684,190	\$ 20,538,693,729	\$ 5,546,162,490	\$ 48,292,932,434

## Development of the Actuarial Value of Assets

	State Miscellaneous	State Industrial	State Safely	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Actuarial Value of Assets as of June 30, 2006 Used for Rate Setting Purposes	\$ 51,751,198,637	\$ 1,678,855,687	\$ 3,278,412,266	\$ 16,027,812,722	\$ 4,407,140,734	\$ 38,460,904,077
2. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2006	\$ 428,537,936	\$ 14,211,495	\$ 7,380,053	\$ 40,218,853	\$ 8,929,483	\$ 25,180,944
3. Actuarial Value of Assets as of 6/30/06 Used for Rate Setting Purposes Only [(1) - (2)]	\$ 51,322,660,701	\$ 1,664,644,192	\$ 3,271,032,213	\$ 15,987,593,869	\$ 4,398,211,251	\$ 38,435,723,133
4. Contributions Received during fiscal year 2006-2007	2,040,059,944	91,494,876	331,114,015	1,056,712,676	237,374,893	1,567,513,188
5. Benefit Payments in 2006-2007	(3,105,775,154)	(79,726,052)	(157,821,759)	(743,609,576)	(264,688,067)	(1,822,387,050)
6. Refunds in 2006-2007	(11,118,192)	(452,955)	(2,657,344)	(8,086,539)	(1,153,341)	(73,087,868)
7. Expected Investment Return during fiscal 2006-2007 [(3) x 0.0775 + [(4) + (5) + (6)] x ((1 + 0.0775)^.5-1)]	3,936,557,488	129,440,233	259,993,726	1,250,637,382	339,778,877	2,966,297,150
8. Expected Actuarial Value of Assets as of June 30, 2007 (Prior to Adjustment for Receivables) [(3) + (4) + (5) + (6) + (7)]	\$ 54,182,384,787	\$ 1,805,400,294	\$ 3,701,660,851	\$ 17,543,247,812	\$ 4,709,523,613	\$ 41,074,058,553
9. Market Value of Assets as of 6/30/07 (Prior to Adjustment for Receivables)	\$ 63,985,290,090	\$ 2,110,900,131	\$ 4,329,805,786	\$ 20,495,403,344	\$ 5,537,138,089	\$ 48,267,965,548
10. Actuarial Value of Assets as of 6/30/07 [(8) + [(9) - (8)]/15, but not less than 80% or more than 120% of (9)]	\$ 54,835,911,807	\$ 1,825,766,950	\$ 3,743,537,180	\$ 17,740,058,181	\$ 4,764,697,911	\$ 41,553,652,353
11. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2007	\$ 456,559,339	\$ 8,515,445	\$ 11,878,404	\$ 43,290,385	\$ 9,024,401	\$ 24,966,886
12. Actuarial Value of Assets as of June 30, 2007 Used for Rate Setting Purposes Only [(10) + (11)]	\$ 55,292,471,146	\$ 1,834,282,395	\$ 3,755,415,584	\$ 17,783,348,566	\$ 4,773,722,312	\$ 41,578,619,239

## Asset Allocation

The asset allocation and market value of assets shown below are in respect of the Public Employees Retirement Fund (PERF) as a whole as of June 30, 2007. The assets of the State plans and Schools pool are part of the PERF and are invested accordingly.

Asset Class	Market Value (\$ Billion)	Current Allocation	Target <sup>1</sup>
Cash Equivalents	\$ 3.6	1.4%	0.0%
Global Fixed Income	\$ 61.2	24.4	26.0
Equities			
Domestic	\$ 100.6	40.0	40.0
International	49.1	19.5	20.0
Alt. Inv./Private Eq.	<u>16.8</u>	<u>6.7</u>	<u>6.0</u>
Total Equities	\$ 166.5	66.2	66.0
Real Estate	\$ 20.1	8.0	8.0
Total Fund	\$ 251.4 <sup>2</sup>	100.0%	100.0%

<sup>1</sup> Target allocation effective January 1, 2007.

<sup>2</sup> Differences between investment values above and the values on the Summary of Investments on page 77 of the Comprehensive Annual Financial Report (Year Ended June 30, 2007) are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

## SUMMARY OF PARTICIPANT DATA

- SOURCE OF THE PARTICIPANT DATA
- DATA VALIDATION TESTS AND ADJUSTMENTS
- DATA STATEMENT
- RECONCILIATION OF PARTICIPANTS
- DISTRIBUTION OF ACTIVE PARTICIPANTS AND AVERAGE MONTHLY SALARIES BY AGE AND SERVICE
- DISTRIBUTION BY AGE AND SERVICE OF TERMINATED PARTICIPANTS WITH FUNDS ON DEPOSIT AND TRANSFERS TO OTHER CALPERS PLANS
- SUMMARY OF RETIREES AND BENEFICIARIES

## Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in a data warehouse by a series of extract programs. Included in this data is:

- individual member and beneficiary information,
- employment and payroll information,
- accumulated contributions with interest,
- service information,
- benefit payment information,
- information about the various organizations which contract with CalPERS, and
- detailed information about the plan provisions applicable to each group of members.

## Data Validation Tests and Adjustments

Once the information is extracted from the various computer systems into the data warehouse, update queries are then run against this data to correct for flaws found in the data. This part of the process is intended to validate the participant data for all CalPERS plans. It is not specific to the State and Schools plans.

The data for each of the State and Schools plans was then pulled into separate files. The data in these files was then checked for reasonableness and consistency with data from the prior valuation.

Checks on the data included:

- a reconciliation of the membership of the plans,
- comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for each plan with those from the prior valuation
- pension amounts for each retiree and beneficiary receiving payments were compared with the pension amounts from the prior valuation
- checks for invalid ages and dates, and
- reasonableness checks on various key data elements such as service and salary.

As a result of the tests on the data, a number of adjustments were determined to be necessary. These included:

- dates of hire and dates of entry were adjusted where necessary to be consistent with the service fields, the date of birth and each other, and

- the annual earnings rate for most Schools members were overwritten with the annualized earnings based on their yearly contributions.

In addition, it is also known that records relating to pre-1984 State Safety retirees who were transferred to the State Peace Officers and Firefighters plan upon its creation have not had their records updated to reflect the transfer. In this valuation, as in prior valuations, this deficiency has been handled by adjusting the assets and liabilities rather than by trying to correct the data. The member counts and summary of retiree data have not been adjusted to correct for this deficiency.

## Data Statement

The data does not contain information about reciprocal systems and hence salary information for terminated participants covered by reciprocal systems may not be up to date. This situation is not expected to have a material impact on the employer contribution rates since the total present value for all terminated participants represents less than 2% of the present value of benefits for all members.

We are unaware of any other data issues that would have a material effect on the results of this valuation.

It is our opinion that, after the adjustments noted above, the participant data was sufficient and reliable for the purposes of the valuation.

## Reconciliation of Participants

For the Fiscal Year Ending June 30, 2007

### State Miscellaneous Tier 1

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2006</b>	<b>145,538</b>	<b>21,730</b>	<b>36,499</b>	<b>137,373</b>	<b>341,140</b>
Retirements	(4,306)	(916)	(506)	5,728	-
Industrial Disabilities	(2)	(35)	(9)	46	-
Ordinary Disabilities	(164)	(12)	(63)	239	-
Deaths <sup>2</sup>	(226)	(40)	(211)	(2,878)	(3,355)
New Survivors	n/a	n/a	n/a	2,169	2,169
Non-vested Terminations <sup>1</sup>	(2,399)	(174)	2,574	(1)	-
Vested Terminations	(1,801)	(280)	2,082	(1)	-
Refunds of Contributions	(867)	(92)	(279)	-	(1,238)
Transfers	(2,064)	2,807	(672)	(71)	-
Redeposits/Rehires	2,019	(559)	(1,345)	(115)	-
First Year in Status	10,385	637	834	2,527	14,383
Moved from Tier 2	674	102	31	266	1,073
Data Corrections <sup>3</sup>	(284)	(1,074)	(1,039)	(2,359)	(4,756)
<b>As of June 30, 2007</b>	<b>146,503</b>	<b>22,094</b>	<b>37,896</b>	<b>142,923</b>	<b>349,416</b>

### State Miscellaneous Tier 2

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2006</b>	<b>10,180</b>	<b>13,379</b>	<b>2,022</b>	<b>3,968</b>	<b>29,549</b>
Retirements	(9)	(46)	(40)	95	-
Industrial Disabilities	-	-	(1)	1	-
Ordinary Disabilities	(3)	(5)	(10)	18	-
Deaths <sup>2</sup>	(23)	(16)	(2)	(78)	(119)
New Survivors	n/a	n/a	n/a	82	82
Non-vested Terminations <sup>1</sup>	-	-	-	-	-
Vested Terminations	(115)	(134)	249	-	-
Refunds of Contributions	(10)	(73)	-	(1)	(84)
Transfers	(270)	359	(85)	(4)	-
Redeposits/Rehires	58	(25)	(33)	-	-
First Year in Status	143	413	17	-	573
Moved to Tier 1	(674)	(102)	(31)	(266)	(1,073)
Data Corrections <sup>3</sup>	15	(758)	(2)	243	(502)
<b>As of June 30, 2007</b>	<b>9,292</b>	<b>12,992</b>	<b>2,084</b>	<b>4,058</b>	<b>28,426</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.

<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.

<sup>3</sup> May include the combining of data records into a single record.

## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2007

## State Industrial

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2006</b>	<b>8,220</b>	<b>7,347</b>	<b>2,528</b>	<b>7,196</b>	<b>25,291</b>
Retirements	(179)	(238)	(27)	444	-
Industrial Disabilities	(4)	(9)	(2)	15	-
Ordinary Disabilities	(15)	(10)	(10)	35	-
Deaths <sup>2</sup>	(8)	(9)	(5)	(189)	(211)
New Survivors	n/a	n/a	n/a	84	84
Non-vested Terminations <sup>1</sup>	(41)	(22)	63	-	-
Vested Terminations	(119)	(108)	227	-	-
Refunds of Contributions	(54)	(52)	(39)	-	(145)
Transfers	(534)	677	(116)	(27)	-
Redeposits/Rehires	269	(183)	(77)	(9)	-
First Year in Status	1,325	243	42	46	1,656
Data Corrections <sup>3</sup>	(1)	(5)	(11)	(25)	(42)
<b>As of June 30, 2007</b>	<b>8,859</b>	<b>7,631</b>	<b>2,573</b>	<b>7,570</b>	<b>26,633</b>

## State Safety

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2006</b>	<b>20,149</b>	<b>3,964</b>	<b>3,067</b>	<b>13,481</b>	<b>40,661</b>
Retirements	(529)	(256)	(53)	838	-
Industrial Disabilities	(62)	(15)	(20)	97	-
Ordinary Disabilities	(14)	(3)	(4)	21	-
Deaths <sup>2</sup>	(56)	(18)	(21)	(290)	(385)
New Survivors	n/a	n/a	n/a	249	249
Non-vested Terminations <sup>1</sup>	(394)	(24)	418	-	-
Vested Terminations	(245)	(39)	284	-	-
Refunds of Contributions	(298)	(23)	(72)	-	(393)
Transfers	(564)	679	(95)	(20)	-
Redeposits/Rehires	374	(137)	(182)	(55)	-
First Year in Status	4,436	171	205	-	4,812
Data Corrections <sup>3</sup>	55	(77)	(69)	(247)	(338)
<b>As of June 30, 2007</b>	<b>22,852</b>	<b>4,222</b>	<b>3,458</b>	<b>14,074</b>	<b>44,606</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.<sup>3</sup> May include the combining of data records into a single record.

## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2007

State Peace Officers and Firefighters

	<b>Active</b>	<b>Transfer</b>	<b>Terminated</b>	<b>Receiving</b>	<b>Total</b>
<b>As of June 30, 2006</b>	<b>42,477</b>	<b>8,884</b>	<b>5,649</b>	<b>17,803</b>	<b>74,813</b>
Retirements	(1,264)	(219)	(67)	1,550	-
Industrial Disabilities	(169)	(13)	(27)	209	-
Ordinary Disabilities	(11)	(1)	(13)	25	-
Deaths <sup>2</sup>	(133)	(6)	(30)	(308)	(477)
New Survivors	n/a	n/a	n/a	301	301
Non-vested Terminations <sup>1</sup>	(278)	(109)	387	-	-
Vested Terminations	(266)	(56)	322	-	-
Refunds of Contributions	(195)	(143)	(83)	-	(421)
Transfers	(379)	719	(277)	(63)	-
Redeposits/Rehires	436	(129)	(291)	(16)	-
First Year in Status	4,636	2,034	235	-	6,905
Data Corrections <sup>3</sup>	10	(3,179)	(395)	(65)	(3,629)
<b>As of June 30, 2007</b>	<b>44,864</b>	<b>7,782</b>	<b>5,410</b>	<b>19,436</b>	<b>77,492</b>

California Highway Patrol

	<b>Active</b>	<b>Transfer</b>	<b>Terminated</b>	<b>Receiving</b>	<b>Total</b>
<b>As of June 30, 2006</b>	<b>6,824</b>	<b>310</b>	<b>320</b>	<b>6,986</b>	<b>14,440</b>
Retirements	(177)	(14)	(12)	203	-
Industrial Disabilities	(37)	(3)	(4)	44	-
Ordinary Disabilities	-	(1)	(1)	2	-
Deaths <sup>2</sup>	(11)	-	(1)	57	45
New Survivors	n/a	n/a	n/a	79	79
Non-vested Terminations <sup>1</sup>	(6)	-	6	-	-
Vested Terminations	(38)	(3)	41	-	-
Refunds of Contributions	(13)	-	(10)	-	(23)
Transfers	(23)	33	(9)	(1)	-
Redeposits/Rehires	28	(5)	(23)	-	-
First Year in Status	380	7	8	14	409
Data Corrections <sup>3</sup>	(1)	(5)	(3)	(215)	(224)
<b>As of June 30, 2007</b>	<b>6,926</b>	<b>319</b>	<b>312</b>	<b>7,169</b>	<b>14,726</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.<sup>3</sup> May include the combining of data records into a single record.

## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2007

Schools

	<b>Active</b>	<b>Transfer</b>	<b>Terminated</b>	<b>Receiving</b>	<b>Total</b>
<b>As of June 30, 2006</b>	<b>279,605</b>	<b>23,976</b>	<b>137,261</b>	<b>159,826</b>	<b>600,668</b>
Retirements	(6,509)	(816)	(824)	8,149	-
Industrial Disabilities	-	(16)	-	16	-
Ordinary Disabilities	(172)	(15)	(90)	277	-
Deaths <sup>2</sup>	(269)	(154)	(1,620)	(9,249)	(11,292)
New Survivors	n/a	n/a	n/a	6,994	6,994
Non-vested Terminations <sup>1</sup>	(9,999)	(276)	10,276	(1)	-
Vested Terminations	(2,640)	(355)	2,999	(4)	-
Refunds of Contributions	(3,937)	(115)	(3,448)	(6)	(7,506)
Transfers	(1,553)	2,986	(1,398)	(35)	-
Redeposits/Rehires	3,527	(301)	(3,162)	(64)	-
First Year in Status	32,680	1,108	5,307	1,266	40,361
Data Corrections <sup>3</sup>	(454)	(539)	(3,093)	(1,261)	(5,347)
<b>As of June 30, 2007</b>	<b>290,279</b>	<b>25,483</b>	<b>142,208</b>	<b>165,908</b>	<b>623,878</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.

<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.

<sup>3</sup> May include the combining of data records into a single record.

## Active Members

### Distribution of Active Members By Age and Service

As of June 30, 2007

State Miscellaneous Tier 1

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-29	30+	
15-24	1,225	14					1,239
25-29	4,915	1,380	11				6,306
30-34	4,973	4,796	455	21			10,245
35-39	5,048	6,949	2,043	842	43		14,925
40-44	4,518	6,914	2,914	3,756	1,008		19,110
45-49	4,063	7,228	3,180	4,908	5,354	108	24,841
50-54	3,727	6,301	2,997	4,992	8,342	2,276	28,635
55-59	2,799	4,575	2,438	4,045	6,687	3,669	24,213
60-64	1,481	2,432	1,350	2,090	3,054	2,152	12,559
65+	657	1,028	546	716	891	592	4,430
<b>Total</b>	<b>33,406</b>	<b>41,617</b>	<b>15,934</b>	<b>21,370</b>	<b>25,379</b>	<b>8,797</b>	<b>146,503</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

### Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

State Miscellaneous Tier 1

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 21,328	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,328
20-24	31,780	38,818	0	0	0	0	0	0	31,860
25-29	37,676	43,818	55,854	0	0	0	0	0	39,052
30-34	44,623	51,894	56,586	60,875	0	0	0	0	48,591
35-39	48,131	55,726	60,238	61,232	66,571	0	0	0	54,117
40-44	47,587	56,494	62,174	64,615	65,364	70,697	0	0	57,333
45-49	46,743	56,499	61,471	64,508	65,286	62,645	67,896	0	58,865
50-54	47,516	55,985	60,752	65,304	65,984	64,859	66,271	73,766	60,608
55-59	49,396	56,881	60,907	65,961	67,744	67,542	69,000	70,220	62,796
60-64	47,609	55,856	61,488	65,656	69,205	70,770	74,627	74,176	63,735
65 & Up	42,016	56,078	60,488	68,343	72,889	74,136	77,720	76,121	62,775
<b>All Ages</b>	<b>\$ 45,122</b>	<b>\$ 55,328</b>	<b>\$ 61,044</b>	<b>\$ 65,096</b>	<b>\$ 66,803</b>	<b>\$ 66,388</b>	<b>\$ 69,546</b>	<b>\$ 72,755</b>	<b>\$ 57,908</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

State Miscellaneous Tier 2

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	4						4
25-29	29	77					106
30-34	40	433	98	3			574
35-39	57	595	484	160			1,296
40-44	47	577	585	442	62		1,713
45-49	46	497	515	460	301	2	1,821
50-54	48	411	407	392	355	96	1,709
55-59	22	248	291	256	219	144	1,180
60-64	22	159	130	136	85	95	627
65+	26	81	54	45	24	32	262
<b>Total</b>	<b>341</b>	<b>3,078</b>	<b>2,564</b>	<b>1,894</b>	<b>1,046</b>	<b>369</b>	<b>9,292</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

State Miscellaneous Tier 2

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20-24	44,566	0	0	0	0	0	0	0	44,566
25-29	42,441	38,531	0	0	0	0	0	0	39,601
30-34	43,789	45,640	45,946	50,084	0	0	0	0	45,586
35-39	41,140	46,961	48,967	48,591	0	0	0	0	47,655
40-44	40,918	45,750	48,343	52,359	50,817	45,023	0	0	48,378
45-49	43,924	48,001	48,896	53,030	50,521	51,670	56,082	0	49,911
50-54	38,083	46,962	48,057	51,177	52,172	54,937	59,006	56,489	49,980
55-59	44,446	45,706	49,566	51,477	53,689	55,597	59,659	59,174	51,239
60-64	28,089	47,206	48,307	48,769	51,330	50,691	59,333	57,308	49,316
65 & Up	34,297	41,583	52,707	54,653	46,822	48,227	54,710	61,332	48,034
<b>All Ages</b>	<b>\$ 40,366</b>	<b>\$ 46,275</b>	<b>\$ 48,664</b>	<b>\$ 51,633</b>	<b>\$ 51,557</b>	<b>\$ 53,762</b>	<b>\$ 59,104</b>	<b>\$ 58,726</b>	<b>\$ 49,015</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

State Industrial

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	82	2					84
25-29	364	91					455
30-34	382	282	46				710
35-39	468	423	181	52	1		1,125
40-44	494	434	254	157	29		1,368
45-49	505	468	319	221	117	1	1,631
50-54	453	415	296	225	162	17	1,568
55-59	300	311	217	178	120	17	1,143
60-64	130	159	140	94	49	8	580
65+	36	66	48	25	15	5	195
<b>Total</b>	<b>3,214</b>	<b>2,651</b>	<b>1,501</b>	<b>952</b>	<b>493</b>	<b>48</b>	<b>8,859</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

State Industrial

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 26,154	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,154
20-24	30,681	43,473	0	0	0	0	0	0	30,993
25-29	33,110	36,503	0	0	0	0	0	0	33,789
30-34	37,795	40,333	43,135	0	0	0	0	0	39,149
35-39	42,034	42,385	46,844	51,591	20,635	0	0	0	43,363
40-44	41,652	45,032	47,318	52,226	56,665	0	0	0	45,308
45-49	44,807	45,401	48,545	52,466	57,304	57,749	64,716	0	47,662
50-54	47,570	45,532	50,058	53,420	57,931	59,090	62,911	0	49,609
55-59	50,225	48,265	52,518	53,154	54,825	59,019	61,834	48,113	51,334
60-64	53,369	47,872	60,185	53,794	52,153	55,059	57,665	37,884	53,544
65 & Up	51,302	59,285	65,413	58,991	46,115	60,775	42,612	35,102	58,063
<b>All Ages</b>	<b>\$ 42,711</b>	<b>\$ 44,864</b>	<b>\$ 50,464</b>	<b>\$ 53,035</b>	<b>\$ 55,956</b>	<b>\$ 58,564</b>	<b>\$ 61,136</b>	<b>\$ 41,194</b>	<b>\$ 46,631</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

State Safety

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	328						328
25-29	1,092	74					1,166
30-34	1,485	260	13				1,758
35-39	1,704	511	134	14			2,363
40-44	1,832	658	311	85	4		2,890
45-49	1,954	865	496	260	88	1	3,664
50-54	1,928	1,171	613	421	202	5	4,340
55-59	1,427	895	587	359	186	11	3,465
60-64	710	546	393	220	107	8	1,984
65+	266	298	170	100	54	6	894
<b>Total</b>	<b>12,726</b>	<b>5,278</b>	<b>2,717</b>	<b>1,459</b>	<b>641</b>	<b>31</b>	<b>22,852</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

State Safety

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 31,441	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,441
20-24	36,526	0	0	0	0	0	0	0	36,526
25-29	44,646	41,298	0	0	0	0	0	0	44,434
30-34	53,376	52,182	46,790	0	0	0	0	0	53,150
35-39	56,716	58,178	57,800	59,820	0	0	0	0	57,112
40-44	58,648	63,690	63,916	58,535	74,062	0	0	0	60,381
45-49	58,191	66,292	63,288	61,418	62,855	61,816	58,944	0	61,133
50-54	61,885	67,755	69,728	66,865	68,376	67,421	66,731	0	65,357
55-59	64,192	72,965	73,153	67,731	71,907	70,916	72,817	113,874	68,781
60-64	67,734	79,192	76,161	68,740	75,558	79,349	78,386	42,264	73,156
65 & Up	74,693	99,811	97,512	75,154	68,301	70,394	67,511	53,544	87,028
<b>All Ages</b>	<b>\$ 57,885</b>	<b>\$ 68,820</b>	<b>\$ 70,598</b>	<b>\$ 66,405</b>	<b>\$ 69,556</b>	<b>\$ 71,125</b>	<b>\$ 71,431</b>	<b>\$ 62,987</b>	<b>\$ 62,820</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

State Peace Officers and Firefighters

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	1,771	1					1,772
25-29	3,690	622	1				4,313
30-34	2,846	2,866	408				6,120
35-39	2,050	2,528	2,696	290			7,564
40-44	1,372	1,668	2,321	1,776	767		7,904
45-49	924	1,102	1,662	1,783	2,498	2	7,971
50-54	514	648	1,045	1,079	1,891	85	5,262
55-59	220	330	558	599	935	87	2,729
60-64	88	138	207	257	298	27	1,015
65+	13	24	47	63	59	8	214
<b>Total</b>	<b>13,488</b>	<b>9,927</b>	<b>8,945</b>	<b>5,847</b>	<b>6,448</b>	<b>209</b>	<b>44,864</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

State Peace Officers and Firefighters

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 23,609	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,609
20-24	34,441	50,135	0	0	0	0	0	0	34,451
25-29	48,549	68,429	54,376	0	0	0	0	0	51,418
30-34	54,058	72,086	77,456	0	0	0	0	0	64,061
35-39	57,318	73,355	78,499	81,313	0	0	0	0	71,147
40-44	58,764	73,711	78,319	81,788	87,388	89,059	0	0	75,613
45-49	63,392	74,699	78,309	81,430	88,188	93,337	102,301	0	80,124
50-54	65,252	76,210	79,321	82,500	86,721	94,694	103,326	99,104	82,252
55-59	72,127	77,433	79,188	82,863	87,108	92,069	95,896	97,585	83,028
60-64	71,612	77,710	78,631	82,198	87,084	91,722	85,198	95,157	81,981
65 & Up	73,694	75,962	76,917	79,047	85,232	86,585	110,458	93,456	80,355
<b>All Ages</b>	<b>\$ 52,379</b>	<b>\$ 73,275</b>	<b>\$ 78,500</b>	<b>\$ 81,885</b>	<b>\$ 87,492</b>	<b>\$ 93,535</b>	<b>\$ 98,669</b>	<b>\$ 96,043</b>	<b>\$ 71,511</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

California Highway Patrol

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	106						106
25-29	430	177					607
30-34	398	683	194	1			1,276
35-39	201	644	683	126	1		1,655
40-44	23	82	409	585	155		1,254
45-49		4	78	351	723		1,156
50-54		1	45	54	602	6	708
55-59			14	7	117	18	156
60-64					3	5	8
65+							
<b>Total</b>	<b>1,158</b>	<b>1,591</b>	<b>1,423</b>	<b>1,124</b>	<b>1,601</b>	<b>29</b>	<b>6,926</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

California Highway Patrol

Attained Age	-- Years of Service at Valuation Date --								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20-24	50,206	0	0	0	0	0	0	0	50,206
25-29	66,071	79,282	0	0	0	0	0	0	69,923
30-34	69,482	79,646	81,575	80,903	0	0	0	0	76,770
35-39	70,663	79,793	82,202	84,465	80,960	0	0	0	80,035
40-44	72,986	79,623	81,846	87,570	90,416	0	0	0	85,267
45-49	0	84,603	84,294	85,687	95,778	98,130	0	0	92,371
50-54	0	99,522	87,719	88,483	94,278	97,948	104,625	0	95,261
55-59	0	0	95,276	89,080	90,138	94,325	110,372	101,825	95,110
60-64	0	0	0	0	0	85,207	133,467	86,816	109,538
65 & Up	0	0	0	0	0	0	0	0	0
<b>All Ages</b>	<b>\$ 66,726</b>	<b>\$ 79,689</b>	<b>\$ 82,432</b>	<b>\$ 86,681</b>	<b>\$ 94,298</b>	<b>\$ 97,456</b>	<b>\$ 112,784</b>	<b>\$ 98,823</b>	<b>\$ 83,027</b>

## Distribution of Active Members By Age and Service

As of June 30, 2007

Schools

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	10,008	48					10,056
25-29	17,869	2,751					20,620
30-34	15,256	7,490	52				22,798
35-39	16,073	11,235	144	25			27,477
40-44	20,733	16,592	202	81	23		37,631
45-49	21,962	24,405	246	126	124		46,863
50-54	20,359	30,067	370	179	221	11	51,207
55-59	14,603	26,592	370	153	201	21	41,940
60-64	7,692	14,812	206	93	115	11	22,929
65+	3,749	4,853	69	32	41	14	8,758
<b>Total</b>	<b>148,304</b>	<b>138,845</b>	<b>1,659</b>	<b>689</b>	<b>725</b>	<b>57</b>	<b>290,279</b>

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## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2007

Schools

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 15,446	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,446
20-24	19,018	36,455	0	0	0	0	0	0	19,103
25-29	23,470	36,901	0	0	0	0	0	0	25,262
30-34	25,729	39,205	53,087	0	0	0	0	0	30,219
35-39	24,853	41,491	53,426	45,615	0	0	0	0	31,825
40-44	23,957	42,599	56,785	48,677	47,665	94,843	0	0	32,423
45-49	23,946	42,820	62,828	55,177	61,268	58,507	0	0	34,159
50-54	23,626	43,403	66,052	50,104	46,178	59,674	94,339	82,101	35,775
55-59	23,617	44,318	71,100	50,308	47,489	57,021	77,201	84,079	37,421
60-64	22,701	43,487	54,796	52,328	54,228	55,454	84,456	80,187	36,727
65 & Up	18,631	40,714	49,525	38,288	44,411	54,040	64,342	54,667	31,392
<b>All Ages</b>	<b>\$ 23,558</b>	<b>\$ 42,782</b>	<b>\$ 61,984</b>	<b>\$ 50,498</b>	<b>\$ 50,498</b>	<b>\$ 57,804</b>	<b>\$ 79,993</b>	<b>\$ 72,975</b>	<b>\$ 33,122</b>

## Terminated and Transferred Participants

Distributions By Age and Service

Transfers to Other CalPERS Plans

As of June 30, 2007

State Miscellaneous Tier 1

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	1	0	0	0	0	0	0	1	\$ 24,876
20-24	147	0	0	0	0	0	0	147	49,560
25-29	1,124	66	0	0	0	0	0	1,190	53,413
30-34	1,516	242	12	0	0	0	0	1,770	57,514
35-39	1,519	455	125	12	1	0	0	2,112	60,641
40-44	1,550	600	326	149	16	0	0	2,641	64,196
45-49	2,036	796	475	326	151	24	0	3,808	66,223
50-54	2,120	886	569	380	250	108	20	4,333	68,574
55-59	1,775	737	447	293	179	108	63	3,602	70,178
60-64	957	361	220	152	71	41	29	1,831	69,700
65 & Up	386	128	58	57	21	1	8	659	74,502
<b>Totals</b>	<b>13,131</b>	<b>4,271</b>	<b>2,232</b>	<b>1,369</b>	<b>689</b>	<b>282</b>	<b>120</b>	<b>22,094</b>	<b>\$ 65,588</b>

Distributions By Age and Service

Terminated Participants With Funds on Deposit

As of June 30, 2007

State Miscellaneous Tier 1

Attained Age	--Years of Service at Valuation Date --							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	1	0	0	0	0	0	0	1	\$ 14,040
20-24	489	0	0	0	0	0	0	489	22,724
25-29	3,030	93	1	0	0	0	0	3,124	29,521
30-34	3,946	453	11	0	0	0	0	4,410	37,078
35-39	3,987	795	173	31	0	0	0	4,986	41,665
40-44	3,467	1,096	463	131	7	1	0	5,165	43,988
45-49	3,582	1,260	620	343	118	21	0	5,944	44,183
50-54	3,281	1,317	608	309	140	53	8	5,716	42,952
55-59	2,665	977	374	160	61	18	4	4,259	41,925
60-64	1,632	460	186	74	21	7	6	2,386	40,230
65 & Up	1,159	170	59	16	7	2	3	1,416	35,098
<b>Totals</b>	<b>27,239</b>	<b>6,621</b>	<b>2,495</b>	<b>1,064</b>	<b>354</b>	<b>102</b>	<b>21</b>	<b>37,896</b>	<b>\$ 40,484</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## State Miscellaneous Tier 2

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	1	0	0	0	0	0	0	1	37,932
25-29	187	11	0	0	0	0	0	198	45,343
30-34	851	150	8	0	0	0	0	1,009	54,051
35-39	1,448	667	142	4	0	0	0	2,261	56,728
40-44	1,396	808	386	54	4	0	0	2,648	57,283
45-49	1,268	619	444	168	63	6	0	2,568	57,324
50-54	934	436	376	180	162	37	3	2,128	58,450
55-59	569	286	211	93	119	90	26	1,394	59,152
60-64	284	120	87	35	32	17	15	590	57,175
65 & Up	110	37	20	10	4	9	5	195	59,897
<b>Totals</b>	<b>7,048</b>	<b>3,134</b>	<b>1,674</b>	<b>544</b>	<b>384</b>	<b>159</b>	<b>49</b>	<b>12,992</b>	<b>\$ 57,186</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## State Miscellaneous Tier 2

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0y	25,418
25-29	0	0	0	0	0	0	0	0	26,226
30-34	0	0	5	0	0	0	0	5	31,030
35-39	0	0	111	3	0	0	0	114	32,245
40-44	0	0	393	27	1	0	0	421	33,021
45-49	0	0	448	82	18	5	0	553	32,486
50-54	0	0	424	96	33	6	3	562	32,579
55-59	0	0	215	77	24	2	2	320	32,565
60-64	0	0	50	24	6	5	1	86	32,425
65 & Up	0	0	15	6	2	0	0	23	33,095
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1,661</b>	<b>315</b>	<b>84</b>	<b>18</b>	<b>6</b>	<b>2,084</b>	<b>\$ 32,366</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## State Industrial

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	14	0	0	0	0	0	0	14	35,485
25-29	183	15	0	0	0	0	0	198	43,329
30-34	418	71	2	0	0	0	0	491	50,456
35-39	674	182	42	1	0	0	0	899	54,628
40-44	844	290	67	19	2	0	0	1,222	58,429
45-49	968	320	111	33	5	1	0	1,438	60,539
50-54	1,051	327	133	56	20	2	1	1,590	64,084
55-59	709	219	88	36	12	2	1	1,067	66,865
60-64	344	90	39	8	8	1	1	491	69,081
65 & Up	149	50	12	9	0	1	0	221	89,550
<b>Totals</b>	<b>5,354</b>	<b>1,564</b>	<b>494</b>	<b>162</b>	<b>47</b>	<b>7</b>	<b>3</b>	<b>7,631</b>	<b>\$ 61,376</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## State Industrial

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	12	0	0	0	0	0	0	12	25,700
25-29	117	4	0	0	0	0	0	121	27,297
30-34	225	33	3	0	0	0	0	261	31,834
35-39	348	65	20	1	0	0	0	434	35,087
40-44	336	66	23	6	1	0	0	432	35,229
45-49	281	86	24	9	4	0	0	404	37,255
50-54	271	67	17	4	3	0	0	362	36,649
55-59	184	54	7	0	4	1	0	250	37,115
60-64	130	18	5	4	1	1	0	159	39,454
65 & Up	122	16	0	0	0	0	0	138	39,588
<b>Totals</b>	<b>2,026</b>	<b>409</b>	<b>99</b>	<b>24</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>2,573</b>	<b>\$ 35,639</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## State Safety

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	9	0	0	0	0	0	0	9	44,714
25-29	109	3	0	0	0	0	0	112	47,153
30-34	204	21	0	0	0	0	0	225	52,983
35-39	309	52	9	0	0	0	0	370	56,745
40-44	421	74	22	6	0	0	0	523	62,966
45-49	672	152	35	28	1	1	0	889	73,354
50-54	750	143	64	29	4	3	0	993	75,529
55-59	533	94	47	9	5	2	0	690	73,707
60-64	216	56	16	4	1	1	0	294	73,706
65 & Up	100	12	3	1	1	0	0	117	102,512
<b>Totals</b>	<b>3,323</b>	<b>607</b>	<b>196</b>	<b>77</b>	<b>12</b>	<b>7</b>	<b>0</b>	<b>4,222</b>	<b>\$ 70,172</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## State Safety

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	36	0	0	0	0	0	0	36	32,859
25-29	162	4	0	0	0	0	0	166	37,766
30-34	236	22	1	0	0	0	0	259	43,945
35-39	405	59	8	0	0	0	0	472	50,141
40-44	380	70	13	5	0	0	0	468	51,769
45-49	489	98	31	15	0	1	0	634	50,451
50-54	471	103	24	2	1	1	0	602	50,703
55-59	358	55	15	8	0	0	0	436	55,632
60-64	217	24	4	1	0	0	0	246	53,775
65 & Up	127	8	3	1	0	0	0	139	62,044
<b>Totals</b>	<b>2,881</b>	<b>443</b>	<b>99</b>	<b>32</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>3,458</b>	<b>\$ 50,707</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## State Peace Officers and Fire Fighters

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	151	0	0	0	0	0	0	151	45,372
25-29	807	8	0	0	0	0	0	815	58,801
30-34	1,106	47	2	0	0	0	0	1,155	68,773
35-39	1,168	131	16	2	0	0	0	1,317	73,477
40-44	1,077	150	57	5	3	0	0	1,292	78,940
45-49	1,075	153	63	26	10	0	0	1,327	81,279
50-54	696	127	74	33	16	5	1	952	84,738
55-59	354	81	39	17	13	7	16	527	84,762
60-64	124	33	15	8	4	4	11	199	86,713
65 & Up	33	6	4	2	1	0	1	47	83,491
<b>Totals</b>	<b>6,591</b>	<b>736</b>	<b>270</b>	<b>93</b>	<b>47</b>	<b>16</b>	<b>29</b>	<b>7,782</b>	<b>\$ 75,475</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## State Peace Officers and Firefighters

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	7	0	0	0	0	0	0	7	\$ 30,928
20-24	258	0	0	0	0	0	0	258	31,528
25-29	874	8	0	0	0	0	0	882	34,088
30-34	814	53	2	0	0	0	0	869	36,438
35-39	826	147	31	4	0	0	0	1,008	38,046
40-44	672	147	63	33	7	0	0	922	39,982
45-49	459	164	79	43	27	2	0	774	44,977
50-54	257	73	44	17	7	1	0	399	41,830
55-59	139	37	15	7	5	0	1	204	40,811
60-64	46	9	6	5	0	0	0	66	40,708
65 & Up	19	0	2	0	0	0	0	21	31,762
<b>Totals</b>	<b>4,371</b>	<b>638</b>	<b>242</b>	<b>109</b>	<b>46</b>	<b>3</b>	<b>1</b>	<b>5,410</b>	<b>\$ 38,535</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## California Highway Patrol

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	0
25-29	17	3	0	0	0	0	0	20	68,934
30-34	35	10	3	0	0	0	0	48	66,857
35-39	50	12	3	1	0	0	0	66	72,731
40-44	36	10	3	3	0	0	0	52	72,659
45-49	34	12	14	1	0	0	0	61	76,913
50-54	28	7	2	2	0	0	0	39	77,772
55-59	8	5	4	0	0	0	0	17	81,330
60-64	7	1	3	2	1	0	0	14	78,103
65 & Up	1	1	0	0	0	0	0	2	111,281
<b>Totals</b>	<b>216</b>	<b>61</b>	<b>32</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>319</b>	<b>\$ 73,949</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## California Highway Patrol

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	0
25-29	9	0	0	0	0	0	0	9	58,361
30-34	28	20	2	0	0	0	0	50	62,731
35-39	43	18	14	0	0	0	0	75	58,398
40-44	35	10	14	11	0	0	0	70	56,947
45-49	15	25	13	4	5	2	0	64	59,464
50-54	9	12	6	2	2	2	0	33	54,128
55-59	3	5	0	0	1	0	0	9	51,681
60-64	0	1	0	0	0	0	0	1	25,530
65 & Up	0	1	0	0	0	0	0	1	40,000
<b>Totals</b>	<b>142</b>	<b>92</b>	<b>49</b>	<b>17</b>	<b>8</b>	<b>4</b>	<b>0</b>	<b>312</b>	<b>\$ 58,175</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2007

## Schools

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	3	0	0	0	0	0	0	3	\$ 24,095
20-24	194	0	0	0	0	0	0	194	35,585
25-29	1,254	23	0	0	0	0	0	1,277	44,575
30-34	2,094	96	1	0	0	0	0	2,191	48,171
35-39	2,373	242	30	1	0	0	0	2,646	51,770
40-44	2,480	369	93	15	0	0	0	2,957	53,946
45-49	3,430	505	175	54	9	0	0	4,173	54,531
50-54	4,020	720	231	81	31	2	0	5,085	54,932
55-59	3,339	664	243	74	21	4	0	4,345	56,997
60-64	1,573	330	107	29	10	5	3	2,057	54,347
65 & Up	439	81	24	8	2	0	1	555	48,125
<b>Totals</b>	<b>21,199</b>	<b>3,030</b>	<b>904</b>	<b>262</b>	<b>73</b>	<b>11</b>	<b>4</b>	<b>25,483</b>	<b>\$ 53,329</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2007

## Schools

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	23	0	0	0	0	0	0	23	\$ 22,631
20-24	2,677	0	0	0	0	0	0	2,677	25,186
25-29	14,266	84	0	0	0	0	0	14,350	28,062
30-34	17,727	319	2	1	0	0	0	18,049	29,600
35-39	16,658	887	76	0	0	0	0	17,621	30,030
40-44	15,931	1,294	302	26	3	0	0	17,556	29,738
45-49	17,941	1,749	588	195	35	0	0	20,508	30,177
50-54	18,142	2,241	749	280	105	10	0	21,527	30,519
55-59	13,048	1,815	592	166	58	12	1	15,692	29,673
60-64	7,202	988	276	78	27	5	3	8,579	28,722
65 & Up	5,045	415	112	30	14	7	3	5,626	26,790
<b>Totals</b>	<b>128,660</b>	<b>9,792</b>	<b>2,697</b>	<b>776</b>	<b>242</b>	<b>34</b>	<b>7</b>	<b>142,208</b>	<b>\$ 29,497</b>

## Retired Members and Beneficiaries

Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

State Miscellaneous Tier 1

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	0	2	1	7	5	185	200
30-34	0	10	5	2	1	83	101
35-39	0	45	24	4	1	117	191
40-44	0	208	104	20	7	183	522
45-49	0	660	235	36	11	311	1,253
50-54	1,794	1,371	351	97	5	482	4,100
55-59	9,656	2,016	419	185	4	766	13,046
60-64	17,534	1,877	334	229	8	1,159	21,141
65-69	19,565	1,606	285	264	9	1,635	23,364
70-74	16,905	1,131	189	251	6	2,341	20,823
75-79	15,170	803	104	249	5	3,387	19,718
80-84	12,907	682	59	238	2	4,414	18,302
85 and Over	12,661	565	30	177	7	6,422	19,862
<b>Total Retirees</b>	<b>106,192</b>	<b>10,976</b>	<b>2,140</b>	<b>1,759</b>	<b>71</b>	<b>21,485</b>	<b>142,623</b>

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 1

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$7,263	\$9	\$33,221	\$60	\$1,164,686	\$1,205,239
30-34	0	62,263	830	55,876	22,825	589,463	731,257
35-39	0	326,576	71,469	26,671	36	1,204,170	1,628,922
40-44	0	2,081,002	163,521	331,028	58,032	1,721,806	4,355,389
45-49	0	7,142,492	547,306	715,069	90,755	3,161,949	11,657,571
50-54	19,072,552	17,889,123	708,113	1,633,190	3,115	6,346,302	45,652,395
55-59	210,346,847	27,034,779	1,048,794	3,692,552	81,727	10,293,554	252,498,253
60-64	469,118,814	25,592,148	1,214,891	4,790,117	2,077	18,970,708	519,688,755
65-69	560,713,964	22,952,034	1,167,075	5,720,860	13,071	30,981,075	621,548,079
70-74	462,567,294	15,155,589	551,758	5,767,730	7,970	45,273,217	529,323,558
75-79	401,206,881	9,709,346	337,067	5,472,971	7,696	62,839,533	479,573,494
80-84	293,117,901	8,166,849	139,954	5,040,154	1,157	72,269,136	378,735,151
85 and Over	233,987,736	6,310,441	71,452	3,899,562	86,723	82,746,463	327,102,377
<b>Total Benefits</b>	<b>\$2,650,131,989</b>	<b>\$142,429,905</b>	<b>\$6,022,239</b>	<b>\$37,179,001</b>	<b>\$375,244</b>	<b>\$337,562,062</b>	<b>\$3,173,700,440</b>

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

State Miscellaneous Tier 1

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	28,120	1,676	338	278	2	659	31,073
5-9	23,836	2,620	528	321	9	1,357	28,671
10-14	15,899	2,329	431	273	17	2,055	21,004
15-19	15,879	1,588	426	269	9	3,483	21,654
20-24	11,801	1,061	197	282	13	4,637	17,991
25-29	7,134	903	149	245	5	4,552	12,988
30 and Over	3,523	799	71	91	16	4,742	9,242
Total Retirees	106,192	10,976	2,140	1,759	71	21,485	142,623

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 1

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$789,230,111	\$23,797,731	\$1,702,618	\$5,129,232	\$301	\$11,061,204	\$830,921,197
5-9	697,302,672	36,857,739	2,023,174	7,648,871	3,556	27,100,704	770,936,716
10-14	387,569,135	31,572,226	1,030,427	6,656,829	255,602	42,020,071	469,104,290
15-19	412,088,414	21,055,969	881,720	6,323,397	4,082	81,810,820	522,164,402
20-24	218,878,689	11,710,216	181,487	5,708,802	15,155	82,283,269	318,777,618
25-29	99,019,984	8,873,821	134,599	4,178,360	1,434	48,691,949	160,900,147
30 and Over	46,042,984	8,562,203	68,214	1,533,510	95,114	44,594,045	100,896,070
Total Benefits	\$2,650,131,989	\$142,429,905	\$6,022,239	\$37,179,001	\$375,244	\$337,562,062	\$3,173,700,440

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2007

State Miscellaneous Tier 2

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	0	2	0	29	31
30-34	0	1	0	0	0	9	10
35-39	0	9	5	0	0	13	27
40-44	0	33	9	1	0	19	62
45-49	0	151	9	10	0	39	209
50-54	46	271	14	10	0	51	392
55-59	274	344	8	17	2	76	721
60-64	401	284	16	12	0	83	796
65-69	442	164	4	11	0	65	686
70-74	469	81	2	7	0	50	609
75-79	273	24	1	4	0	37	339
80-84	86	3	0	5	0	25	119
85 and Over	28	2	0	1	0	12	43
Total Retirees	2,019	1,367	68	80	2	508	4,044

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$0	\$6,299	\$0	\$144,233	\$150,532
30-34	0	6,161	0	0	0	47,419	53,580
35-39	0	95,383	92,048	0	0	66,282	253,713
40-44	0	308,518	186,766	1,934	0	148,747	645,965
45-49	0	1,633,315	177,884	76,194	0	364,896	2,252,289
50-54	117,482	3,202,789	210,215	54,322	0	458,790	4,043,598
55-59	1,071,212	4,392,471	155,833	154,605	40,704	783,090	6,597,915
60-64	1,892,917	3,582,272	261,169	121,735	0	835,030	6,693,123
65-69	2,946,185	2,244,056	35,914	82,774	0	555,092	5,864,021
70-74	3,834,936	989,833	42,172	106,329	0	564,168	5,537,438
75-79	2,937,601	298,193	27,136	101,274	0	378,430	3,742,634
80-84	874,626	46,575	0	126,558	0	252,385	1,300,144
85 and Over	222,254	4,878	0	15,779	0	72,957	315,868
Total Benefits	\$13,897,213	\$16,804,444	\$1,189,137	\$847,803	\$40,704	\$4,671,519	\$37,450,820

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	371	149	10	29	0	33	592
5-9	715	491	27	22	0	148	1,403
10-14	652	426	20	18	2	175	1,293
15-19	231	238	11	6	0	112	598
20-24	50	63	0	5	0	40	158
25-29	0	0	0	0	0	0	0
30 and Over	0	0	0	0	0	0	0
Total Retirees	2,019	1,367	68	80	2	508	4,044

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$1,664,353	\$1,434,117	\$174,988	\$191,583	\$0	\$225,783	\$3,690,824
5-9	3,875,529	5,394,746	394,023	188,296	0	1,100,925	10,953,519
10-14	6,059,214	5,796,259	389,815	349,423	40,704	1,912,339	14,547,754
15-19	1,966,634	3,412,131	230,311	58,918	0	1,119,299	6,787,293
20-24	331,483	767,191	0	59,583	0	313,173	1,471,430
25-29	0	0	0	0	0	0	0
30 and Over	0	0	0	0	0	0	0
Total Benefits	\$13,897,213	\$16,804,444	\$1,189,137	\$847,803	\$40,704	\$4,671,519	\$37,450,820

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2007

## State Industrial

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	1	1	0	19	21
30-34	0	0	1	0	0	7	8
35-39	0	13	8	0	0	5	26
40-44	0	38	14	1	0	7	60
45-49	0	96	54	5	1	20	176
50-54	181	166	72	5	0	29	453
55-59	837	218	66	9	0	52	1,182
60-64	1,270	192	59	11	1	65	1,598
65-69	1,035	130	37	13	2	68	1,285
70-74	774	79	30	10	3	71	967
75-79	571	41	15	8	2	98	735
80-84	385	25	9	6	9	131	565
85 and Over	290	9	12	0	3	160	474
Total Retirees	5,343	1,007	378	69	21	732	7,550

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Industrial

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$59	\$2,284	\$0	\$45,420	\$47,763
30-34	0	0	32,423	0	0	15,023	47,446
35-39	0	48,962	46,113	0	0	13,576	108,651
40-44	0	281,635	70,577	7,644	0	26,492	386,348
45-49	0	708,446	137,478	10,510	2,982	103,570	962,986
50-54	946,793	1,119,063	314,560	36,448	0	201,541	2,618,405
55-59	7,848,178	1,525,449	323,696	48,194	0	294,249	10,039,766
60-64	13,641,632	1,514,172	336,017	103,670	10,276	400,743	16,006,510
65-69	12,505,039	1,022,331	212,225	199,725	1,321	513,530	14,454,171
70-74	9,798,538	729,402	162,590	111,518	46,333	812,769	11,661,150
75-79	7,963,958	521,920	169,668	73,314	44,904	1,069,651	9,843,415
80-84	5,672,219	250,823	195,852	134,899	164,558	1,623,336	8,041,687
85 and Over	4,802,535	134,102	330,045	0	47,194	2,161,828	7,475,704
Total Benefits	\$63,178,892	\$7,856,305	\$2,331,303	\$728,206	\$317,568	\$7,281,728	\$81,694,002

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

State Industrial

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	2,067	238	97	22	1	49	2,474
5-9	1,464	360	119	12	0	87	2,042
10-14	764	198	68	17	1	108	1,156
15-19	490	134	44	13	0	135	816
20-24	332	45	23	4	1	109	514
25-29	183	23	12	1	2	133	354
30 and Over	43	9	15	0	16	111	194
Total Retirees	5,343	1,007	378	69	21	732	7,550

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Industrial

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$24,224,312	\$1,796,491	\$559,215	\$186,618	\$2,982	\$308,061	\$27,077,679
5-9	17,406,781	2,913,894	591,259	134,820	0	803,805	21,850,559
10-14	7,848,348	1,446,790	294,246	190,625	65	723,327	10,503,401
15-19	6,630,800	979,129	260,864	175,721	0	1,470,283	9,516,797
20-24	4,276,700	372,921	185,534	28,100	1,256	1,564,202	6,428,713
25-29	2,295,709	219,512	95,892	12,322	68,841	1,302,919	3,995,195
30 and Over	496,242	127,568	344,293	0	244,424	1,109,131	2,321,658
Total Benefits	\$63,178,892	\$7,856,305	\$2,331,303	\$728,206	\$317,568	\$7,281,728	\$81,694,002

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2007

State Safety

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	4	2	0	21	27
30-34	0	0	11	0	0	10	21
35-39	0	2	39	0	0	13	54
40-44	0	14	85	3	1	14	117
45-49	0	33	187	5	3	27	255
50-54	335	71	405	22	11	66	910
55-59	1,368	108	703	37	10	98	2,324
60-64	1,809	112	677	26	12	170	2,806
65-69	1,551	81	488	24	13	191	2,348
70-74	1,045	43	337	19	16	232	1,692
75-79	722	33	255	8	18	368	1,404
80-84	527	29	160	15	15	392	1,138
85 and Over	405	14	89	5	11	421	945
Total Retirees	7,762	540	3,440	166	110	2,023	14,041

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Safety

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$69,091	\$41,038	\$0	\$173,768	\$283,897
30-34	0	0	216,752	0	0	58,020	274,772
35-39	0	8,242	745,135	0	0	60,212	813,589
40-44	0	74,597	1,709,648	19,274	40,291	126,554	1,970,364
45-49	0	173,833	3,531,987	24,886	28,137	183,910	3,942,753
50-54	2,447,329	448,561	7,602,566	291,380	304,914	827,599	11,922,349
55-59	18,358,737	685,638	13,149,470	488,146	146,936	1,095,873	33,924,800
60-64	24,949,165	821,143	13,133,802	304,232	206,272	2,141,598	41,556,212
65-69	21,716,650	841,204	10,010,956	324,212	279,502	2,150,916	35,323,440
70-74	13,987,720	359,348	7,773,428	372,438	296,346	2,777,740	25,567,020
75-79	9,524,647	444,274	5,644,391	118,470	317,583	4,878,413	20,927,778
80-84	9,336,368	308,414	3,658,486	222,937	260,820	4,866,224	18,653,249
85 and Over	7,481,807	178,449	2,062,863	65,617	195,996	5,442,112	15,426,844
Total Benefits	\$107,802,423	\$4,343,703	\$69,308,575	\$2,272,630	\$2,076,797	\$24,782,939	\$210,587,067

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

State Safety

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	3,339	140	670	58	3	101	4,311
5-9	2,116	174	759	36	12	179	3,276
10-14	851	99	417	30	2	168	1,567
15-19	459	49	377	15	9	161	1,070
20-24	407	13	418	10	14	288	1,150
25-29	441	42	577	13	33	608	1,714
30 and Over	149	23	222	4	37	518	953
Total Retirees	7,762	540	3,440	166	110	2,023	14,041

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Safety

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$49,202,971	\$1,339,146	\$14,672,190	\$732,866	\$68,092	\$1,448,156	\$67,463,421
5-9	27,191,434	1,427,045	15,774,907	445,523	206,671	2,052,836	47,098,416
10-14	8,727,401	592,460	8,158,619	435,036	58,215	1,494,951	19,466,682
15-19	5,314,397	230,031	6,983,593	218,099	179,964	1,939,190	14,865,274
20-24	6,163,195	74,569	7,833,057	133,044	278,439	4,198,126	18,680,430
25-29	8,330,902	466,614	11,376,077	268,851	620,977	7,765,929	28,829,350
30 and Over	2,872,123	213,838	4,510,132	39,211	664,439	5,883,751	14,183,494
Total Benefits	\$107,802,423	\$4,343,703	\$69,308,575	\$2,272,630	\$2,076,797	\$24,782,939	\$210,587,067

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

State Peace Officers and Firefighters

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	8	4	7	41	60
30-34	0	0	73	0	2	9	84
35-39	0	9	291	1	3	15	319
40-44	0	32	640	4	19	21	716
45-49	0	62	1,129	18	17	44	1,270
50-54	1,215	66	1,188	22	15	103	2,609
55-59	2,670	71	1,334	40	24	142	4,281
60-64	2,775	74	1,118	37	15	170	4,189
65-69	1,880	36	588	22	8	198	2,732
70-74	1,102	25	271	14	6	197	1,615
75-79	674	18	121	3	3	139	958
80-84	278	4	44	2	0	86	414
85 and Over	44	1	5	0	0	18	68
Total Retirees	10,638	398	6,810	167	119	1,183	19,315

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Peace Officers and Firefighters

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$184,586	\$44,486	\$104,396	\$436,071	\$769,539
30-34	0	0	1,857,991	0	62,123	105,991	2,026,105
35-39	0	104,462	7,675,435	28,782	64,518	307,276	8,180,473
40-44	0	382,924	17,605,817	88,090	608,690	301,884	18,987,405
45-49	0	945,952	31,149,546	659,564	512,723	884,987	34,152,772
50-54	64,719,678	978,701	34,596,944	557,651	470,070	2,246,980	103,570,024
55-59	134,483,350	1,349,368	44,536,773	1,294,740	798,623	4,182,998	186,645,852
60-64	126,560,450	1,489,285	39,006,006	1,334,057	444,169	4,812,992	173,646,959
65-69	75,888,723	876,410	19,598,763	613,302	198,045	6,086,258	103,261,501
70-74	40,629,458	590,945	8,843,014	377,506	209,151	5,584,869	56,234,943
75-79	22,491,885	409,185	3,747,277	92,584	131,174	3,978,015	30,850,120
80-84	8,603,265	92,756	1,296,045	62,334	0	2,144,576	12,198,976
85 and Over	1,223,725	8,418	134,216	0	0	438,790	1,805,149
Total Benefits	\$474,600,534	\$7,228,406	\$210,232,413	\$5,153,096	\$3,603,682	\$31,511,687	\$732,329,818

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

State Peace Officers and Firefighters

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	4,590	91	1,499	60	29	86	6,355
5-9	3,006	152	2,233	46	31	202	5,670
10-14	1,413	96	1,411	38	20	216	3,194
15-19	962	43	1,159	19	17	316	2,516
20-24	667	15	506	4	22	361	1,575
25-29	0	0	2	0	0	1	3
30 and Over	0	1	0	0	0	1	2
Total Retirees	10,638	398	6,810	167	119	1,183	19,315

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

State Peace Officers and Firefighters

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$230,252,738	\$1,971,410	\$53,076,176	\$1,697,824	\$831,274	\$2,310,262	\$290,139,684
5-9	133,961,915	2,648,158	71,277,490	1,621,282	969,615	5,853,060	216,331,520
10-14	51,229,584	1,636,250	42,558,940	1,196,167	697,721	5,829,351	103,148,013
15-19	37,818,715	657,994	31,487,104	488,255	570,923	8,675,221	79,698,212
20-24	21,337,582	313,933	11,832,496	149,568	534,149	8,824,649	42,992,377
25-29	0	0	207	0	0	6,883	7,090
30 and Over	0	661	0	0	0	12,261	12,922
Total Benefits	\$474,600,534	\$7,228,406	\$210,232,413	\$5,153,096	\$3,603,682	\$31,511,687	\$732,329,818

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2007

California Highway Patrol

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	1	0	11	8	20
30-34	0	0	7	0	0	3	10
35-39	0	1	29	0	5	5	40
40-44	0	1	103	1	10	3	118
45-49	0	6	203	2	17	9	237
50-54	239	4	275	3	7	16	544
55-59	364	6	419	7	12	52	860
60-64	586	5	832	6	19	97	1,545
65-69	487	9	793	5	18	121	1,433
70-74	259	5	498	0	15	144	921
75-79	170	5	285	4	5	161	630
80-84	131	1	138	0	7	149	426
85 and Over	93	0	52	2	8	183	338
Total Retirees	2,329	43	3,635	30	134	951	7,122

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

California Highway Patrol

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$41,177	\$0	\$146,653	\$62,824	\$250,654
30-34	0	0	241,463	0	0	6,799	248,262
35-39	0	6,174	1,058,174	0	271,776	17,645	1,353,769
40-44	0	7,358	3,131,245	30,092	559,530	80,184	3,808,409
45-49	0	101,408	5,920,829	84,932	784,475	259,286	7,150,930
50-54	16,405,788	57,628	10,488,646	163,686	316,838	424,079	27,856,665
55-59	23,280,993	199,293	20,420,278	389,608	309,388	1,175,081	45,774,641
60-64	30,642,877	173,201	39,772,087	293,640	335,569	2,358,462	73,575,836
65-69	20,813,227	121,506	28,849,073	159,394	396,532	2,814,264	53,153,996
70-74	9,201,626	96,103	16,970,978	0	237,843	3,373,481	29,880,031
75-79	5,351,745	102,713	9,250,407	80,659	74,172	3,250,543	18,110,239
80-84	4,036,231	20,679	3,954,982	0	115,040	2,763,202	10,890,134
85 and Over	3,016,195	0	1,553,468	50,533	120,032	3,127,232	7,867,460
Total Benefits	\$112,748,682	\$886,063	\$141,652,807	\$1,252,544	\$3,667,848	\$19,713,082	\$279,921,026

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

California Highway Patrol

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	669	7	407	4	14	14	1,115
5-9	565	7	698	10	14	39	1,333
10-14	467	8	635	5	16	49	1,180
15-19	218	6	598	3	9	94	928
20-24	164	3	473	3	12	156	811
25-29	154	5	457	3	18	189	826
30 and Over	92	7	367	2	51	410	929
Total Retirees	2,329	43	3,635	30	134	951	7,122

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

California Highway Patrol

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$43,078,240	\$356,236	\$25,645,475	\$189,779	\$615,456	\$518,852	\$70,404,038
5-9	29,465,551	98,481	38,780,233	601,773	580,520	1,212,956	70,739,514
10-14	19,682,843	148,739	25,735,729	194,105	622,888	1,752,896	48,137,200
15-19	7,772,694	60,224	20,151,698	92,877	305,921	2,760,604	31,144,018
20-24	5,317,425	81,507	12,905,920	67,016	415,125	3,781,353	22,568,346
25-29	4,441,104	67,395	10,120,231	59,001	378,379	3,451,340	18,517,450
30 and Over	2,990,825	73,481	8,313,521	47,993	749,559	6,235,081	18,410,460
Total Benefits	\$112,748,682	\$886,063	\$141,652,807	\$1,252,544	\$3,667,848	\$19,713,082	\$279,921,026

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2007

## Schools

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	1	0	3	0	143	147
30-34	0	4	4	1	0	67	76
35-39	0	32	8	4	0	112	156
40-44	0	171	33	2	2	172	380
45-49	0	535	68	12	1	308	924
50-54	1,696	1,302	87	30	2	416	3,533
55-59	10,022	2,031	168	78	1	764	13,064
60-64	21,041	2,128	130	78	3	1,068	24,448
65-69	25,716	2,037	76	91	3	1,565	29,488
70-74	23,249	1,394	32	73	3	2,357	27,108
75-79	19,881	1,035	29	58	1	3,286	24,290
80-84	16,212	769	9	39	0	4,200	21,229
85 and Over	14,554	618	4	30	1	5,747	20,954
Total Retirees	132,371	12,057	648	499	17	20,205	165,797

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

Schools

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$3,385	\$0	\$19,241	\$0	\$672,375	\$695,001
30-34	0	24,266	627	5,331	0	373,272	403,496
35-39	0	249,797	3,808	18,800	0	538,893	811,298
40-44	0	1,390,866	12,684	30,102	554	968,818	2,403,024
45-49	0	4,524,261	70,860	56,283	436	1,883,841	6,535,681
50-54	11,310,835	12,724,856	48,374	178,756	2,715	2,997,290	27,262,826
55-59	128,676,653	20,181,119	309,623	457,709	18	5,662,784	155,287,906
60-64	314,573,801	20,923,928	236,623	532,617	3,928	9,301,342	345,572,239
65-69	365,890,548	18,584,830	115,517	597,025	1,676	13,504,325	398,693,921
70-74	286,883,752	11,429,324	56,869	427,146	460	19,664,896	318,462,447
75-79	218,520,557	7,733,279	113,452	331,315	210	24,860,712	251,559,525
80-84	154,434,010	5,369,168	9,077	255,267	0	28,307,926	188,375,448
85 and Over	120,959,288	3,965,812	11,239	175,499	732	31,774,222	156,886,792
Total Benefits	\$1,601,249,444	\$107,104,891	\$988,753	\$3,085,091	\$10,729	\$140,510,696	\$1,852,949,604

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

Schools

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	37,291	1,902	155	179	3	770	40,300
5-9	29,523	3,065	176	133	0	1,724	34,621
10-14	22,715	2,724	113	54	1	2,605	28,212
15-19	18,100	1,806	88	55	4	3,523	23,576
20-24	13,270	942	54	37	4	4,398	18,705
25-29	8,005	905	47	21	4	3,897	12,879
30 and Over	3,467	713	15	20	1	3,288	7,504
Total Retirees	132,371	12,057	648	499	17	20,205	165,797

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2007

Annual Amounts not Including PPPA Payments

Schools

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$569,826,947	\$20,951,277	\$347,101	\$1,220,534	\$767	\$7,577,177	\$599,923,803
5-9	416,486,751	30,210,309	316,733	827,329	0	15,763,941	463,605,063
10-14	247,021,287	24,272,484	177,048	276,078	2,904	21,202,111	292,951,912
15-19	186,330,549	15,169,461	80,230	342,311	4,075	30,210,384	232,137,010
20-24	106,596,074	6,489,824	40,222	162,465	1,933	31,844,169	145,134,687
25-29	52,342,479	5,502,336	24,938	87,035	318	18,935,543	76,892,649
30 and Over	22,645,357	4,509,200	2,481	169,339	732	14,977,371	42,304,480
Total Benefits	\$1,601,249,444	\$107,104,891	\$988,753	\$3,085,091	\$10,729	\$140,510,696	\$1,852,949,604

1 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## State Miscellaneous Tier 1

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	2,053	\$ 48,211,132	\$ 23,483
2006	6,559	166,212,609	25,341
2005	7,434	202,066,362	27,181
2004	8,822	252,866,967	28,663
2003	6,205	161,564,127	26,038
2002	6,141	165,234,573	26,907
2001	6,295	188,609,766	29,962
2000	8,462	254,227,125	30,043
1999	3,140	60,014,694	19,113
1998	4,633	102,850,558	22,200
1997	4,723	106,674,133	22,586
1996	4,490	104,218,675	23,211
1995	4,216	98,246,193	23,303
1994	4,280	98,761,510	23,075
1993	3,295	61,203,779	18,575
1992	5,269	131,851,115	25,024
1991	6,112	176,737,138	28,916
1990	3,447	75,013,148	21,762
1989	3,222	61,872,156	19,203
1988	3,604	76,690,845	21,279
1987	4,072	82,686,466	20,306
1986	3,362	62,782,627	18,674
1985	3,492	57,681,847	16,518
1984	2,995	46,079,953	15,386
1983	4,070	69,546,725	17,088
1982	2,942	43,603,158	14,821
1981	2,774	32,504,315	11,717
1980	2,925	34,647,281	11,845
1979	2,196	24,930,995	11,353
1978	2,151	25,214,398	11,722
1977 & Earlier	9,242	100,896,070	10,917
Totals	142,623	\$ 3,173,700,440	\$ 22,252

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## State Miscellaneous Tier 2

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	49	\$ 274,339	\$ 5,599
2006	126	648,951	5,150
2005	146	924,412	6,332
2004	130	826,186	6,355
2003	141	1,016,936	7,212
2002	174	1,196,312	6,875
2001	229	1,329,886	5,807
2000	282	2,082,243	7,384
1999	318	2,660,734	8,367
1998	400	3,684,344	9,211
1997	380	3,940,138	10,369
1996	319	3,392,133	10,634
1995	256	3,047,758	11,905
1994	177	2,222,100	12,554
1993	161	1,945,625	12,085
1992	148	1,633,018	11,034
1991	157	1,933,313	12,314
1990	86	939,873	10,929
1989	107	1,223,367	11,433
1988	100	1,057,722	10,577
1987	65	621,089	9,555
1986	58	548,258	9,453
1985	35	302,083	8,631
1984	0	0	0
1983	0	0	0
1982	0	0	0
1981	0	0	0
1980	0	0	0
1979	0	0	0
1978	0	0	0
1977 and Earlier	0	0	0
Totals	4,044	\$ 37,450,820	\$ 9,261

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## State Industrial

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	151	\$ 1,458,136	\$ 9,657
2006	579	6,112,687	10,557
2005	559	6,632,281	11,865
2004	692	7,745,655	11,193
2003	493	5,128,920	10,403
2002	474	5,034,097	10,620
2001	450	5,432,432	12,072
2000	593	7,054,501	11,896
1999	208	1,741,879	8,374
1998	317	2,587,650	8,163
1997	301	2,751,388	9,141
1996	251	2,164,225	8,622
1995	233	2,131,546	9,148
1994	201	1,925,640	9,580
1993	170	1,530,602	9,004
1992	225	2,918,218	12,970
1991	214	3,057,415	14,287
1990	130	1,116,224	8,586
1989	146	1,316,077	9,014
1988	101	1,108,863	10,979
1987	133	1,769,058	13,301
1986	80	1,113,801	13,923
1985	101	1,261,810	12,493
1984	81	853,743	10,540
1983	119	1,430,301	12,019
1982	87	1,079,376	12,407
1981	75	819,453	10,926
1980	84	891,344	10,611
1979	62	745,716	12,028
1978	46	459,306	9,985
1977 and Earlier	194	2,321,658	11,967
Totals	7,550	\$ 81,694,002	\$ 10,820

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## State Safety

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	346	\$ 5,670,103	\$ 16,388
2006	980	14,323,248	14,616
2005	1,055	16,485,058	15,626
2004	1,095	17,882,879	16,331
2003	835	13,102,133	15,691
2002	784	11,925,523	15,211
2001	730	11,130,191	15,247
2000	903	13,959,800	15,459
1999	407	4,878,717	11,987
1998	452	5,204,185	11,514
1997	405	5,276,179	13,028
1996	351	4,437,898	12,644
1995	294	3,354,213	11,409
1994	311	3,570,482	11,481
1993	206	2,827,910	13,728
1992	293	4,368,176	14,908
1991	273	3,546,642	12,991
1990	173	2,333,800	13,490
1989	194	2,741,130	14,130
1988	137	1,875,526	13,690
1987	164	2,458,100	14,988
1986	122	1,764,095	14,460
1985	184	2,654,756	14,428
1984	247	3,946,578	15,978
1983	433	7,856,901	18,145
1982	365	6,349,545	17,396
1981	390	6,249,773	16,025
1980	359	6,030,644	16,798
1979	316	5,198,054	16,450
1978	284	5,001,334	17,610
1977 and Earlier	953	14,183,494	14,883
Totals	14,041	\$ 210,587,067	\$ 14,998

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## State Peace Officers and Firefighters

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	570	\$ 28,361,339	\$ 49,757
2006	1,930	100,131,343	51,882
2005	1,211	53,984,357	44,578
2004	1,422	58,736,329	41,305
2003	1,222	48,926,316	40,038
2002	1,363	55,239,695	40,528
2001	1,263	50,298,174	39,824
2000	1,690	72,353,932	42,813
1999	622	17,367,650	27,922
1998	732	21,072,069	28,787
1997	769	24,058,425	31,285
1996	708	23,908,124	33,769
1995	625	21,171,921	33,875
1994	565	17,310,294	30,638
1993	527	16,699,249	31,687
1992	678	22,990,893	33,910
1991	659	24,217,776	36,749
1990	363	9,897,692	27,266
1989	410	11,277,931	27,507
1988	406	11,313,920	27,867
1987	531	15,240,837	28,702
1986	424	11,193,903	26,401
1985	335	8,625,619	25,748
1984	285	7,932,018	27,832
1983	0	0	0
1982	0	0	0
1981	1	68	68
1980	1	139	139
1979	0	0	0
1978	1	6,883	6,883
1977 and Earlier	2	12,922	6,461
Totals	19,315	\$ 732,329,818	\$ 37,915

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## California Highway Patrol

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	91	\$ 6,002,775	\$ 65,965
2006	277	18,065,689	65,219
2005	315	21,721,528	68,957
2004	252	15,175,685	60,221
2003	180	9,438,361	52,435
2002	261	15,324,988	58,716
2001	303	18,049,674	59,570
2000	430	23,395,806	54,409
1999	145	5,960,374	41,106
1998	194	8,008,672	41,282
1997	240	9,963,568	41,515
1996	267	12,125,999	45,416
1995	238	9,871,813	41,478
1994	188	6,973,777	37,095
1993	247	9,202,043	37,255
1992	194	6,440,315	33,198
1991	215	7,848,739	36,506
1990	145	4,667,127	32,187
1989	183	5,806,212	31,728
1988	191	6,381,625	33,412
1987	154	4,784,564	31,069
1986	181	5,218,601	28,832
1985	150	4,193,343	27,956
1984	147	4,032,880	27,435
1983	179	4,338,958	24,240
1982	200	4,615,272	23,076
1981	194	4,281,408	22,069
1980	147	3,060,186	20,818
1979	142	3,221,375	22,686
1978	143	3,339,209	23,351
1977 and Earlier	929	18,410,460	19,818
Totals	7,122	\$ 279,921,026	\$ 39,304

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2007

## Schools

Year Retired	Total Retirees	Total Benefits	Average Benefits
2007	3,390	\$ 47,763,197	\$ 14,089
2006	8,769	130,774,399	14,913
2005	8,970	131,189,991	14,625
2004	9,347	136,656,904	14,620
2003	9,824	153,539,312	15,629
2002	7,699	117,721,296	15,290
2001	6,892	102,395,107	14,857
2000	8,801	124,224,385	14,115
1999	5,128	53,455,323	10,424
1998	6,101	65,808,952	10,787
1997	5,761	58,957,783	10,234
1996	5,628	57,146,866	10,154
1995	5,831	59,610,119	10,223
1994	5,474	56,979,633	10,409
1993	5,518	60,257,511	10,920
1992	5,360	57,590,680	10,745
1991	5,108	53,573,681	10,488
1990	4,491	42,744,853	9,518
1989	4,413	40,625,493	9,206
1988	4,204	37,602,303	8,944
1987	3,927	32,969,295	8,396
1986	3,669	28,996,287	7,903
1985	3,348	23,066,463	6,890
1984	2,732	17,239,084	6,310
1983	5,029	42,863,558	8,523
1982	2,811	19,487,080	6,932
1981	2,825	16,005,592	5,666
1980	2,602	15,095,581	5,802
1979	2,403	13,476,809	5,608
1978	2,238	12,827,587	5,732
1977 and Earlier	7,504	42,304,480	5,638
Totals	165,797	\$ 1,852,949,604	\$ 11,176

1 – The numbers for 2007 are for the first 6 months of the calendar year only.

2 – Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

## APPENDIX A

ACTUARIAL METHODS	A-1
ACTUARIAL ASSUMPTIONS APPLICABLE TO ALL PLANS	
ECONOMIC ASSUMPTIONS	A-4
DEMOGRAPHIC ASSUMPTIONS	A-6
MISCELLANEOUS LOADING FACTORS	A-6
MISCELLANEOUS ASSUMPTIONS	A-6
PLAN SPECIFIC ACTUARIAL ASSUMPTIONS	
STATE MISCELLANEOUS TIER 1	A-7
STATE MISCELLANEOUS TIER 2	A-10
STATE INDUSTRIAL TIER 1	A-13
STATE INDUSTRIAL TIER 2	A-16
STATE SAFETY	A-19
STATE PEACE OFFICERS AND FIREFIGHTERS	A-21
CALIFORNIA HIGHWAY PATROL	A-23
SCHOOLS	A-25

## Actuarial Methods

### FUNDING METHOD

The actuarial funding method used for this report is the Individual Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll. Beginning July 1, 2000, all State and Schools plans became subject to the amortization methods prescribed in Actuarial Policy ACT-96-05E, described below.

Actuarial Policy ACT-96-05E specifies that all changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period. In addition, all gains or losses are tracked and the net unamortized gain or loss is amortized as a rolling 30-year amortization. Also, if a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability. Finally, all plans are subject to a minimum employer contribution rate equal to the employer normal cost plus a 30-year amortization of surplus, if any.

An exception to the funding rules above is used whenever the application of such rules results in inconsistencies. In these cases a "fresh start" approach is used. This simply means that the current total unfunded actuarial liability/surplus is projected and amortized over a set number of years. This fresh start approach generally occurs when a total negative rate would result or a positive payment would be required on a negative unfunded actuarial liability (or conversely a negative payment on a positive unfunded actuarial liability). When the fresh start is being used to avoid a negative total rate and the surplus is sufficient to offset at least 30 years of normal cost payments, the amortization period equals the number of years that the rate is projected to be zero. In addition, a fresh start may be used whenever the Chief Actuary feels that it would be better achieve the intent of the Board's funding policy.

By State statute for California Highway Patrol only, a portion of the assets in excess of the Entry Age Normal accrued liability can be applied as a direct offset to required employer and employee contributions.

The 1959 Survivor Program valuation is not provided in this report. A separate report for that program is available.

The Term Insurance Method is used for the State Group Term Life Insurance Program. The required contribution for the coming fiscal year is the difference between the reserves for that benefit and one and one-half times the expected benefit payments, but not less than zero.

## DATA EXTRACT

The June 30, 2007 actuarial valuation used the same data extract programs as used in the prior year.

## PURCHASING POWER PROTECTION ACT (PPPA) METHOD

PPPA benefits are cost-of-living adjustments intended to maintain the individual's current retirement benefit at 75% of the original benefit at retirement adjusted for inflation since retirement. The PPPA benefit is paid, if necessary, in addition to any other cost-of-living adjustment provided under the terms of the plan. Prior to January 1, 2001, there was a single PPPA pool covering all CalPERS employers. However, commencing January 1, 2001, separate PPPA pools were established. A pool was set up for all State plans and a separate pool for School employers. The public agencies were removed entirely from PPPA pooling resulting in each public agency plan paying for its own PPPA benefits. The creation of separate pools effectively eliminates the cross subsidization between the State, Schools and public agencies. Because there is a single PPPA pool for all State plans, cross subsidization between State plans still occurs.

For the State and Schools plans, the total annual outlay for PPPA benefits is limited by State statute to earnings of up to 1.1% of accumulated member contributions. If this annual outlay is insufficient to provide the PPPA benefits in a given fiscal year, the 75% maintenance target would be proportionately reduced. Since the inception of the PPPA benefit program, 1.1% has proved more than sufficient to provide the 75% maintenance. Under the inflation assumption of 3% compounded annually, the 1.1% appears to remain more than sufficient in the foreseeable future.

The actuarial model mimics the PPPA administrative procedure by deriving the employer contribution rate for the plan as the lesser of two separate actuarially computed rates:

- 1) The rate that results if a full 1.1% investment return on the actuarial value of each future year's employee assets in the plan is used for that plan's PPPA payments; or
- 2) The rate that results if the plan pays the full 75% purchasing power for itself.

In this way, those plans for which future PPPA costs equal or exceed a 1.1% return on current and future employee assets are charged an employer rate that replaces the 1.1% return on employee assets. Those plans that require less than the 1.1% return on current and future employee assets to maintain 75% purchasing power are charged the rate necessary to maintain the 75% purchasing power. It must be noted that nothing is charged in the rates for any cross-subsidization. That is, the model assumes that cross subsidization for PPPA for State plans will remain so small that it can be ignored.

## INTERNAL REVENUE CODE SECTION 415

The limitations on benefits imposed by Internal Revenue Code Section 415 were not taken into account in this valuation. The effect of these limitations has been deemed immaterial on the overall results of this valuation.

## ASSET VALUATION METHOD

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset smoothing technique is used. First an Expected Value of Assets would be computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The Actuarial Value of Assets would then be computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. Finally, the Actuarial Value of Assets is restricted to no less than 80% and no more than 120% of the Market Value of Assets.

## ACCOUNTS RECEIVABLE

In preparing valuations and setting employer contribution rates, the asset figures used include accounts receivable. The CalPERS Actuarial Office assumes that all assets are accruing interest at the actuarially-assumed rate. Therefore, the rates depicted assume that all payments have been made and are accruing interest.

## Actuarial Assumptions Applicable to All Plans

### ECONOMIC ASSUMPTIONS:

#### *Investment Return*

- 7.75% compounded annually (net of administrative expenses).

#### *Salary Growth*

- Annual increases vary by entry age and service. See sample rates in table below.

Duration of Service	Annual Percentage Increase					
	State Miscellaneous Tier 1 & Tier 2			Industrial		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	13.35%	10.95%	8.25%	9.55%	8.85%	8.25%
3	8.95%	8.05%	6.55%	8.15%	7.75%	7.35%
5	7.25%	6.75%	5.85%	7.35%	7.15%	6.95%
10	4.95%	4.85%	4.45%	6.05%	5.85%	5.75%
15	4.25%	4.15%	3.95%	5.15%	5.05%	4.95%
20	3.85%	3.85%	3.75%	4.55%	4.45%	4.35%
25	3.55%	3.55%	3.45%	3.85%	3.85%	3.85%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

Duration of Service	Safety			POFF		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	7.55%	7.35%	7.15%	19.95%	18.55%	16.85%
3	6.15%	5.65%	4.85%	9.05%	8.85%	8.25%
5	5.55%	5.05%	4.05%	6.85%	6.65%	6.05%
10	4.85%	4.35%	3.55%	4.65%	4.55%	4.35%
15	4.35%	4.05%	3.45%	4.15%	4.05%	4.05%
20	3.95%	3.75%	3.45%	3.85%	3.75%	3.75%
25	3.65%	3.55%	3.35%	3.55%	3.55%	3.55%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

Duration of Service	CHP			Schools		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	9.05%	9.05%	9.05%	11.05%	9.85%	8.45%
3	6.25%	6.25%	6.25%	7.75%	7.25%	6.45%
5	5.15%	5.15%	5.15%	6.55%	6.25%	5.55%
10	3.95%	3.95%	3.95%	4.75%	4.65%	4.35%
15	3.75%	3.75%	3.75%	4.15%	4.05%	3.75%
20	3.55%	3.55%	3.55%	3.85%	3.75%	3.45%
25	3.45%	3.45%	3.45%	3.55%	3.55%	3.35%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

### ***Overall Payroll Growth***

- 3.25% compounded annually (used in projecting the payroll over which the unfunded liability is amortized). For the State Miscellaneous plan, the payroll of the Second Tier members is assumed to decrease in accordance with actuarial assumptions based on the assumption that all new entrants will elect the State Miscellaneous First Tier. The payroll of the First Tier members is assumed to grow at the rate necessary for the overall payroll of the State Miscellaneous plan to grow annually at a rate of 3.25%.

### ***Inflation***

- 3% compounded annually.

## DEMOGRAPHIC ASSUMPTIONS:

***Marital Status***

- For active members, a percentage married upon Retirement is assumed according to the following table.

<u>Plan</u>	<u>Percent Married</u>
State Miscellaneous, Tier 1	85%
State Miscellaneous, Tier 2	85%
State Industrial	85%
State Safety	90%
State Police Officers/Firefighters	90%
California Highway Patrol	90%
Schools	85%

***Age of Spouse***

- It is assumed that female spouses are 3 years younger than male spouses.

## MISCELLANEOUS LOADING FACTORS:

***Credit for Unused Sick Leave***

- Final Average Salary is increased by 1% for all groups providing credit for unused sick leave.

***Norris Decision (Best Factors)***

- Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of “Best Factors” for these employees in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. A unisex conversion table was developed for employees hired after July 1, 1982, which was a weighted average of the male and female tables. Therefore, no loading is necessary in this case.

## MISCELLANEOUS ASSUMPTIONS:

***Tier 2 Members electing Tier 1 benefits***

- Tier 2 members of both the State Miscellaneous and State Industrial plans have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

## Plan Specific Actuarial Assumptions

### STATE MISCELLANEOUS TIER 1

#### *Service Retirement*

- Rates vary by age and service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0033	0.0088	0.0124	0.0153	0.0187	0.0219	0.0253
52	0.0025	0.0067	0.0094	0.0115	0.0142	0.0165	0.0191
54	0.0040	0.0108	0.0152	0.0187	0.0230	0.0269	0.0310
56	0.0095	0.0255	0.0358	0.0440	0.0541	0.0631	0.0729
58	0.0149	0.0401	0.0564	0.0693	0.0851	0.0994	0.1148
60	0.0259	0.0697	0.0980	0.1205	0.1479	0.1728	0.1996
62	0.0466	0.1252	0.1763	0.2166	0.2659	0.3106	0.3588
65	0.0538	0.1447	0.2037	0.2503	0.3073	0.3589	0.4146
70	0.0397	0.1068	0.1504	0.1848	0.2268	0.2650	0.3061
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

#### *Termination with Refund*

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.1218	0.1165	0.1113	0.1061	0.1009
1	0.1086	0.1034	0.0981	0.0929	0.0877
2	0.0954	0.0902	0.0850	0.0797	0.0745
3	0.0822	0.0770	0.0718	0.0666	0.0613
4	0.0690	0.0638	0.0586	0.0534	0.0481
5	0.0207	0.0187	0.0168	0.0149	0.0129
10	0.0118	0.0101	0.0084	0.0068	0.0051
15	0.0079	0.0065	0.0050	0.0036	0.0022
20	0.0049	0.0037	0.0025	0.0013	0.0002
25	0.0025	0.0015	0.0006	0.0002	0.0002
30	0.0010	0.0002	0.0002	0.0002	0.0002

## STATE MISCELLANEOUS TIER 1 (CONTINUED)

*Terminations with Vested Deferred Benefits*

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0352	0.0319	0.0286	0.0253	0.0221
6	0.0333	0.0299	0.0266	0.0233	0.0200
7	0.0313	0.0279	0.0246	0.0212	0.0177
8	0.0293	0.0259	0.0225	0.0189	0.0155
9	0.0272	0.0237	0.0203	0.0167	0.0132
10	0.0250	0.0215	0.0179	0.0143	-
14	0.0221	0.0183	0.0145	0.0108	-
15	0.0212	0.0174	0.0137	-	-
19	0.0175	0.0135	0.0095	-	-
20	0.0166	0.0125	-	-	-
24	0.0124	0.0082	-	-	-
25	0.0113	-	-	-	-
29	0.0065	-	-	-	-
30	-	-	-	-	-

*Non-Industrial Death*

- Rates vary by age and gender. See sample rates in table below.

*Non-Industrial Disability*

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0005
30	0.00038	0.0003	0.00021	0.0010
35	0.00054	0.0005	0.00031	0.0014
40	0.00077	0.0012	0.00046	0.0022
45	0.00110	0.0022	0.00068	0.0035
50	0.00156	0.0038	0.00102	0.0056
55	0.00221	0.0040	0.00151	0.0070
60	0.00314	0.0026	0.00226	0.0057

## STATE MISCELLANEOUS TIER 1 (CONTINUED)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE MISCELLANEOUS TIER 2

**Service Retirement**

- Rates vary by age and Service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0033	0.0088	0.0124	0.0153	0.0187	0.0219	0.0253
52	0.0025	0.0067	0.0094	0.0115	0.0142	0.0165	0.0191
54	0.0040	0.0108	0.0152	0.0187	0.0230	0.0269	0.0310
56	0.0095	0.0255	0.0358	0.0440	0.0541	0.0631	0.0729
58	0.0149	0.0401	0.0564	0.0693	0.0851	0.0994	0.1148
60	0.0259	0.0697	0.0980	0.1205	0.1479	0.1728	0.1996
62	0.0466	0.1252	0.1763	0.2166	0.2659	0.3106	0.3588
65	0.0538	0.1447	0.2037	0.2503	0.3073	0.3589	0.4146
70	0.0397	0.1068	0.1504	0.1848	0.2268	0.2650	0.3061
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Non-vested Termination**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.1496	0.1433	0.1370	0.1307	0.1244
1	0.1365	0.1302	0.1239	0.1176	0.1113
2	0.1234	0.1172	0.1109	0.1046	0.0983
3	0.1104	0.1041	0.0978	0.0915	0.0852
4	0.0973	0.0910	0.0848	0.0785	0.0722
5	0.0843	0.0780	0.0717	0.0654	0.0591
6	0.0792	0.0729	0.0666	0.0603	0.0540
7	0.0741	0.0678	0.0615	0.0553	0.0490
8	0.0691	0.0628	0.0565	0.0502	0.0439
9	0.0640	0.0577	0.0514	0.0451	0.0388

## STATE MISCELLANEOUS TIER 2 (Continued)

***Terminations with Vested Deferred Benefits***

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
10	0.0589	0.0526	0.0463	0.0400	-
14	0.0480	0.0417	0.0354	0.0291	-
15	0.0453	0.0390	0.0327	-	-
19	0.0344	0.0281	0.0218	-	-
20	0.0317	0.0254	-	-	-
24	0.0208	0.0145	-	-	-
25	0.0180	-	-	-	-
29	0.0071	-	-	-	-
30	-	-	-	-	-

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Non-Industrial Disability***

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0004
30	0.00038	0.0003	0.00021	0.0006
35	0.00054	0.0003	0.00031	0.0017
40	0.00077	0.0023	0.00046	0.0041
45	0.00110	0.0042	0.00068	0.0068
50	0.00156	0.0058	0.00102	0.0099
55	0.00221	0.0073	0.00151	0.0123
60	0.00314	0.0081	0.00226	0.0134

## STATE MISCELLANEOUS TIER 2 (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE INDUSTRIAL TIER 1

**Service Retirement**

➤ Rates vary by age and service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0062	0.0113	0.0177	0.0262	0.0309	0.0328	0.0388
52	0.0035	0.0065	0.0101	0.0149	0.0176	0.0187	0.0222
54	0.0079	0.0145	0.0227	0.0335	0.0396	0.0420	0.0498
56	0.0160	0.0294	0.0459	0.0679	0.0801	0.0851	0.1008
58	0.0249	0.0457	0.0713	0.1056	0.1245	0.1323	0.1567
60	0.0305	0.0559	0.0873	0.1292	0.1524	0.1619	0.1918
62	0.0606	0.1110	0.1733	0.2565	0.3026	0.3214	0.3808
65	0.0666	0.1220	0.1906	0.2821	0.3328	0.3535	0.4187
70	0.0444	0.0814	0.1271	0.1882	0.2220	0.2358	0.2793
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

➤ Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.0734	0.0703	0.0671	0.0640	0.0608
1	0.0655	0.0623	0.0592	0.0560	0.0529
2	0.0575	0.0544	0.0512	0.0481	0.0449
3	0.0496	0.0464	0.0433	0.0401	0.0370
4	0.0416	0.0385	0.0353	0.0322	0.0290
5	0.0125	0.0113	0.0101	0.0090	0.0078
10	0.0071	0.0061	0.0051	0.0041	0.0031
15	0.0047	0.0039	0.0030	0.0022	0.0013
20	0.0030	0.0023	0.0015	0.0008	0.0002
25	0.0015	0.0009	0.0004	0.0002	0.0002
30	0.0006	0.0002	0.0002	0.0002	0.0002

## STATE INDUSTRIAL TIER 1 (Continued)

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0212	0.0192	0.0173	0.0152	0.0133
6	0.0201	0.0180	0.0161	0.0140	0.0120
7	0.0189	0.0168	0.0148	0.0127	0.0107
8	0.0177	0.0156	0.0135	0.0114	0.0094
9	0.0164	0.0143	0.0122	0.0100	0.0080
10	0.0151	0.0129	0.0108	0.0086	-
14	0.0133	0.0110	0.0088	0.0065	-
15	0.0129	0.0105	0.0083	-	-
19	0.0106	0.0081	0.0058	-	-
20	0.0099	0.0075	-	-	-
24	0.0074	0.0049	-	-	-
25	0.0068	-	-	-	-
29	0.0039	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Industrial Disability, Non-Industrial Disability & Industrial Death**

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
			Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0005	0.0001	0.00003
25	0.00027	0.00014	0.0010	0.0001	0.00007
30	0.00038	0.00021	0.0016	0.0001	0.00010
35	0.00054	0.00031	0.0024	0.0002	0.00013
40	0.00077	0.00046	0.0037	0.0002	0.00017
45	0.00110	0.00068	0.0055	0.0003	0.00020
50	0.00156	0.00102	0.0073	0.0003	0.00023
55	0.00221	0.00151	0.0093	0.0004	0.00027
60	0.00314	0.00226	0.0108	0.0004	0.00030

## STATE INDUSTRIAL TIER 1 (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE INDUSTRIAL TIER 2

**Service Retirement**

- Rates vary by age and service . See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0062	0.0113	0.0177	0.0262	0.0309	0.0328	0.0388
52	0.0035	0.0065	0.0101	0.0149	0.0176	0.0187	0.0222
54	0.0079	0.0145	0.0227	0.0335	0.0396	0.0420	0.0498
56	0.0160	0.0294	0.0459	0.0679	0.0801	0.0851	0.1008
58	0.0249	0.0457	0.0713	0.1056	0.1245	0.1323	0.1567
60	0.0305	0.0559	0.0873	0.1292	0.1524	0.1619	0.1918
62	0.0606	0.1110	0.1733	0.2565	0.3026	0.3214	0.3808
65	0.0666	0.1220	0.1906	0.2821	0.3328	0.3535	0.4187
70	0.0444	0.0814	0.1271	0.1882	0.2220	0.2358	0.2793
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.0734	0.0703	0.0671	0.0640	0.0608
1	0.0655	0.0623	0.0592	0.0560	0.0529
2	0.0575	0.0544	0.0512	0.0481	0.0449
3	0.0496	0.0464	0.0433	0.0401	0.0370
4	0.0416	0.0385	0.0353	0.0322	0.0290
5	0.0125	0.0113	0.0101	0.0090	0.0078
10	0.0071	0.0061	0.0051	0.0041	0.0031
15	0.0047	0.0039	0.0030	0.0022	0.0013
20	0.0030	0.0023	0.0015	0.0008	0.0002
25	0.0015	0.0009	0.0004	0.0002	0.0002
30	0.0006	0.0002	0.0002	0.0002	0.0002

## STATE INDUSTRIAL TIER 2 (Continued)

***Terminations with Vested Deferred Benefits***

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0212	0.0192	0.0173	0.0152	0.0133
6	0.0201	0.0180	0.0161	0.0140	0.0120
7	0.0189	0.0168	0.0148	0.0127	0.0107
8	0.0177	0.0156	0.0135	0.0114	0.0094
9	0.0164	0.0143	0.0122	0.0100	0.0080
10	0.0151	0.0129	0.0108	0.0086	-
14	0.0133	0.0110	0.0088	0.0065	-
15	0.0129	0.0105	0.0083	-	-
19	0.0106	0.0081	0.0058	-	-
20	0.0099	0.0075	-	-	-
24	0.0074	0.0049	-	-	-
25	0.0068	-	-	-	-
29	0.0039	-	-	-	-
30	-	-	-	-	-

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Non-Industrial Disability***

- Rates vary by age. See sample rates in table below.

***Industrial Disability***

- Rates vary by age. See sample rates in table below.

***Industrial Death***

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
			Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0005	0.0001	0.00003
25	0.00027	0.00014	0.0010	0.0001	0.00007
30	0.00038	0.00021	0.0016	0.0001	0.00010
35	0.00054	0.00031	0.0024	0.0002	0.00013
40	0.00077	0.00046	0.0037	0.0002	0.00017
45	0.00110	0.00068	0.0055	0.0003	0.00020
50	0.00156	0.00102	0.0073	0.0003	0.00023
55	0.00221	0.00151	0.0093	0.0004	0.00027
60	0.00314	0.00226	0.0108	0.0004	0.00030

## STATE INDUSTRIAL TIER 2 (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE SAFETY

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0099	0.0167	0.0226	0.0265	0.0295	0.0384	0.0455
52	0.0067	0.0113	0.0154	0.0180	0.0201	0.0261	0.0309
54	0.0074	0.0125	0.0169	0.0198	0.0220	0.0286	0.0340
56	0.0252	0.0424	0.0575	0.0673	0.0750	0.0975	0.1157
58	0.0268	0.0451	0.0610	0.0715	0.0797	0.1036	0.1228
60	0.0429	0.0723	0.0979	0.1146	0.1278	0.1662	0.1970
62	0.0697	0.1174	0.1590	0.1862	0.2076	0.2698	0.3200
65	0.0952	0.1604	0.2173	0.2544	0.2837	0.3687	0.4373
70	0.0684	0.1152	0.1561	0.1828	0.2038	0.2649	0.3141
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.1313	0.0967	0.0622	0.0461	0.0374	0.0106	0.0077	0.0052	0.0033	0.0017	0.0012

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0181	0.0181	0.0181	0.0181	0.0181
6	0.0178	0.0178	0.0178	0.0178	0.0178
7	0.0175	0.0175	0.0175	0.0175	0.0175
8	0.0171	0.0171	0.0171	0.0171	0.0171
9	0.0167	0.0167	0.0167	0.0167	0.0167
10	0.0163	0.0163	0.0163	0.0163	-
14	0.0145	0.0145	0.0145	0.0145	-
15	0.0140	0.0140	0.0140	-	-
19	0.0117	0.0117	0.0117	-	-
20	0.0111	0.0111	-	-	-
24	0.0085	0.0085	-	-	-
25	0.0078	-	-	-	-
29	0.0064	-	-	-	-
30	-	-	-	-	-

## STATE SAFETY (Continued)

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability, Non-Industrial Disability & Industrial Death***

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0004	0.0002	0.00003
25	0.00027	0.00014	0.0006	0.0009	0.00007
30	0.00038	0.00021	0.0007	0.0018	0.00010
35	0.00054	0.00031	0.0008	0.0027	0.00013
40	0.00077	0.00046	0.0008	0.0036	0.00017
45	0.00110	0.00068	0.0012	0.0044	0.00020
50	0.00156	0.00102	0.0024	0.0053	0.00023
55	0.00221	0.00151	0.0034	0.0080	0.00027
60	0.00314	0.00226	0.0043	0.0080	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients and for non-industrially disabled (disability not job related) retirees. Rates vary by age for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE PEACE OFFICERS AND FIREFIGHTERS

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0048	0.0161	0.0218	0.0251	0.0417	0.0655	0.0761
52	0.0062	0.0208	0.0281	0.0324	0.0539	0.0846	0.0983
54	0.0128	0.0431	0.0582	0.0671	0.1114	0.1751	0.2034
56	0.0166	0.0559	0.0755	0.0871	0.1446	0.2272	0.2639
58	0.0156	0.0526	0.0710	0.0820	0.1361	0.2138	0.2483
60	0.0200	0.0671	0.0906	0.1045	0.1735	0.2726	0.3166
62	0.0277	0.0929	0.1256	0.1449	0.2405	0.3779	0.4389
65	0.0392	0.1318	0.1781	0.2055	0.3411	0.5360	0.6225
70	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.1432	0.0916	0.0507	0.0415	0.0323	0.0085	0.0059	0.0038	0.0022	0.0009	0.0005

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0145	0.0145	0.0145	0.0145	0.0145
6	0.0141	0.0141	0.0141	0.0141	0.0141
7	0.0138	0.0138	0.0138	0.0138	0.0138
8	0.0134	0.0134	0.0134	0.0134	0.0134
9	0.0130	0.0130	0.0130	0.0130	0.0130
10	0.0125	0.0125	0.0125	0.0125	-
14	0.0107	0.0107	0.0107	0.0107	-
15	0.0101	0.0101	0.0101	-	-
19	0.0078	0.0078	0.0078	-	-
20	0.0072	0.0072	-	-	-
24	0.0046	0.0046	-	-	-
25	0.0039	-	-	-	-
29	0.0025	-	-	-	-
30	-	-	-	-	-

## STATE PEACE OFFICERS AND FIREFIGHTERS (Continued)

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability, Non-Industrial Disability & Industrial Death***

- Rates vary by age. See sample rates in table below.

<u>Attained Age</u>	<u>Non-Industrial Death</u>		<u>Non-Industrial Disability</u>	<u>Industrial Disability</u>	<u>Industrial Death</u>
	<u>Male</u>	<u>Female</u>	<u>Male and Female</u>	<u>Male and Female</u>	<u>Male and Female</u>
20	0.00019	0.00009	0.0001	0.0003	0.00003
25	0.00027	0.00014	0.0001	0.0015	0.00007
30	0.00038	0.00021	0.0001	0.0030	0.00010
35	0.00054	0.00031	0.0002	0.0045	0.00013
40	0.00077	0.00046	0.0005	0.0060	0.00017
45	0.00110	0.00068	0.0008	0.0075	0.00020
50	0.00156	0.00102	0.0013	0.0090	0.00023
55	0.00221	0.00151	0.0019	0.0208	0.00027
60	0.00314	0.00226	0.0025	0.0208	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## CALIFORNIA HIGHWAY PATROL

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0044	0.0044	0.0044	0.0044	0.0132	0.0250	0.0288
52	0.0145	0.0145	0.0145	0.0145	0.0435	0.0825	0.0950
54	0.0303	0.0303	0.0303	0.0303	0.0909	0.1725	0.1988
56	0.0271	0.0271	0.0271	0.0271	0.0813	0.1542	0.1777
58	0.0229	0.0229	0.0229	0.0229	0.0686	0.1301	0.1499
60	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.0115	0.0111	0.0108	0.0104	0.0101	0.0036	0.0026	0.0017	0.0010	0.0005	0.0003

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0061	0.0061	0.0061	0.0061	0.0061
6	0.0060	0.0060	0.0060	0.0060	0.0060
7	0.0059	0.0059	0.0059	0.0059	0.0059
8	0.0057	0.0057	0.0057	0.0057	0.0057
9	0.0056	0.0056	0.0056	0.0056	0.0056
10	0.0054	0.0054	0.0054	0.0054	-
14	0.0047	0.0047	0.0047	0.0047	-
15	0.0046	0.0046	0.0046	-	-
19	0.0037	0.0037	0.0037	-	-
20	0.0035	0.0035	-	-	-
24	0.0025	0.0025	-	-	-
25	0.0022	-	-	-	-
29	0.0017	-	-	-	-
30	-	-	-	-	-

## CALIFORNIA HIGHWAY PATROL (Continued)

***Non-Industrial Death & Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability & Non-Industrial Disability***

- Rates vary by age. See sample rates in table below.

<u>Attained Age</u>	<u>Non-Industrial Death</u>		<u>Non-Industrial Disability</u>	<u>Industrial Disability</u>	<u>Industrial Death</u>
	<u>Male</u>	<u>Female</u>	<u>Male and Female</u>	<u>Male and Female</u>	<u>Male and Female</u>
20	0.00019	0.00009	0.0001	0.0009	0.00003
25	0.00027	0.00014	0.0001	0.0017	0.00007
30	0.00038	0.00021	0.0001	0.0025	0.00010
35	0.00054	0.00031	0.0001	0.0033	0.00013
40	0.00077	0.00046	0.0001	0.0042	0.00017
45	0.00110	0.00068	0.0002	0.0050	0.00020
50	0.00156	0.00102	0.0002	0.0058	0.00023
55	0.00221	0.00151	0.0002	0.1189	0.00027
60	0.00314	0.00226	0.0002	0.1189	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## SCHOOLS

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0036	0.0071	0.0100	0.0118	0.0131	0.0147	0.0172
52	0.0035	0.0069	0.0096	0.0114	0.0127	0.0142	0.0167
54	0.0060	0.0118	0.0165	0.0196	0.0218	0.0244	0.0286
56	0.0158	0.0314	0.0439	0.0519	0.0578	0.0647	0.0760
58	0.0202	0.0402	0.0562	0.0663	0.0739	0.0827	0.0971
60	0.0368	0.0729	0.1020	0.1205	0.1342	0.1502	0.1763
62	0.0762	0.1512	0.2115	0.2498	0.2784	0.3114	0.3657
65	0.0906	0.1797	0.2513	0.2969	0.3308	0.3701	0.4345
70	0.0660	0.1308	0.1830	0.2162	0.2408	0.2695	0.3164
75	0.0546	0.1082	0.1513	0.1788	0.1992	0.2229	0.2617

**Termination with Refund**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.1617	0.1521	0.1425	0.1329	0.1233
1	0.1481	0.1385	0.1289	0.1193	0.1097
2	0.1346	0.1249	0.1153	0.1057	0.0961
3	0.1210	0.1114	0.1018	0.0922	0.0826
4	0.1074	0.0978	0.0882	0.0786	0.0690
5	0.0347	0.0311	0.0276	0.0240	0.0205
10	0.0215	0.0184	0.0153	0.0123	0.0092
15	0.0144	0.0118	0.0092	0.0066	0.0040
20	0.0091	0.0069	0.0047	0.0025	0.0003
25	0.0046	0.0029	0.0012	0.0002	0.0002
30	0.0019	0.0004	0.0002	0.0002	0.0002

## SCHOOLS (Continued)

**Termination with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0591	0.0531	0.0470	0.0410	0.0349
6	0.0567	0.0505	0.0444	0.0382	0.0321
7	0.0540	0.0478	0.0415	0.0353	0.0290
8	0.0513	0.0450	0.0387	0.0323	0.0260
9	0.0486	0.0422	0.0357	0.0293	0.0229
10	0.0456	0.0391	0.0326	0.0260	-
14	0.0404	0.0335	0.0266	0.0197	-
15	0.0389	0.0319	0.0249	-	-
19	0.0321	0.0249	0.0176	-	-
20	0.0304	0.0230	-	-	-
24	0.0231	0.0153	-	-	-
25	0.0211	-	-	-	-
29	0.0123	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Non-Industrial Disability**

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0001
30	0.00038	0.0004	0.00021	0.0003
35	0.00054	0.0008	0.00031	0.0005
40	0.00077	0.0014	0.00046	0.0010
45	0.00110	0.0028	0.00068	0.0016
50	0.00156	0.0050	0.00102	0.0030
55	0.00221	0.0072	0.00151	0.0047
60	0.00314	0.0071	0.00226	0.0037

## SCHOOLS (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## APPENDIX B

### SUMMARY OF PRINCIPAL PLAN PROVISIONS

STATE MISCELLANEOUS TIER 1	B-1
STATE MISCELLANEOUS TIER 2	B-8
STATE INDUSTRIAL TIER 1	B-15
STATE INDUSTRIAL TIER 2	B-23
STATE SAFETY	B-31
STATE PEACE OFFICERS AND FIREFIGHTERS	B-39
CALIFORNIA HIGHWAY PATROL	B-47
SCHOOLS	B-54

## Summary of Principal Plan Provisions

### STATE MISCELLANEOUS TIER 1

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<b>Retirement Age</b>	<b>2% at 55 Factor</b>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. For employees covered by Social Security, the final compensation is offset by \$133.33 (or by one third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance (PRSA)* or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's

death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid

to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Optional Settlement 2 Death Benefit**

#### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

#### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

## **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

For employees covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$513.
- The percent contributed above the monthly compensation breakpoint is 5%.

For employees not covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$317.
- The percent contributed above the monthly compensation breakpoint is 6%.

## **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62

years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE MISCELLANEOUS TIER 2

The following is a summary of the major plan provisions applicable to State Miscellaneous Tier 2 members. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Tier 2 Members electing Tier 1 benefits

State Miscellaneous Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all State Miscellaneous Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation, where

- The benefit factor for this group of employees comes from the 1.25% at 65 Tier 2 benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<b>Retirement Age</b>	<b>1.25% at 65 Tier 2 Factor</b>	<b>Retirement Age</b>	<b>1.25% at 65 Tier 2 Factor</b>
50	0.5000%	58	0.9000%
51	0.5500%	59	0.9500%
52	0.6000%	60	1.0000%
53	0.6500%	61	1.0500%
54	0.7000%	62	1.1000%
55	0.7500%	63	1.1500%
56	0.8000%	64	1.2000%
57	0.8500%	65 & Up	1.2500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, and has earned at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 55. Members with 5 years of service before January 1, 1985, are eligible at age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes disabled and has at least 10 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. Disabled means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit. Members with 5 years of service before January 1, 1985 are also eligible.

**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.125% of final compensation, multiplied by service, which is determined as follows:

- service is CalPERS credited service, for members with less than 10 years of service or greater than 29.628 years of service; or
- service is CalPERS credited service plus the additional number of years that the member would have worked until age 65, for members with at least 10 years but not more than 29.628 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is often referred to as post retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 75% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's

death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid

to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit. Members with 5 years of service before January 1, 1985 are also eligible.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Optional Settlement 2 Death Benefit**

#### **Eligibility**

An employee's eligible survivor may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit. Members with 5 years of service before January 1, 1985 are also eligible.

#### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 0%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, if any, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### **Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE INDUSTRIAL TIER 1

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<u>2% at 55 Factor</u>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The years of service is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The final compensation is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. For employees covered by Social Security, the final compensation is offset by \$133.33 (or by one third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, and has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes disabled and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. Disabled means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Industrial (Job-Related) Disability Retirement****Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

**Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger

the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Optional Settlement 2 Death Benefit**

#### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which

CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## **Special Death Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### **Benefit**

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

## **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

## **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

For employees covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$513.
- The percent contributed above the monthly compensation breakpoint is 5%.

For employees not covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$317.
- The percent contributed above the monthly compensation breakpoint is 6%.

## **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE INDUSTRIAL TIER 2

The following is a summary of the major plan provisions applicable to State Industrial Tier 2 Members. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Tier 2 Members electing Tier 1 benefits

State Industrial Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all State Industrial Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). Members with 5 years of service before January 1, 1985 are also eligible.

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **1.25% at 65 Tier 2** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<b>1.25% at 65 Tier 2 Factor</b>	<u>Retirement Age</u>	<b>1.25% at 65 Tier 2 Factor</b>
50	0.5000%	58	0.9000%
51	0.5500%	59	0.9500%
52	0.6000%	60	1.0000%
53	0.6500%	61	1.0500%
54	0.7000%	62	1.1000%
55	0.7500%	63	1.1500%
56	0.8000%	64	1.2000%
57	0.8500%	65 & Up	1.2500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). Members with 5 years of service before January 1, 1985 are also eligible.

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 55.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 10 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit. Members with 5 years of service before January 1, 1985 are also eligible.

**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.125% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 29.628 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 65, for members with at least 10 years but not more than 29.628 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Industrial (Job-Related) Disability Retirement****Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

**Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger

the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

**Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

**Alternate Death Benefit****Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

**Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

**1957 Survivor Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit. Members with 5 years of service before January 1, 1985 are also eligible.

**Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## Optional Settlement 2 Death Benefit

### Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit. Members with 5 years of service before January 1, 1985 are also eligible.

### Benefit

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## Special Death Benefit

### Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### Benefit

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 0%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE SAFETY

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2.5% at 55 Safety** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

	<b>2.5% at 55</b>
<b>Retirement Age</b>	<b>Safety Factor</b>
50	1.700%
51	1.800%
52	1.900%
53	2.000%
54	2.250%
55 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this

compensation). The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.

- The Service Retirement benefit is capped at 80% of final compensation.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement

age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

### **Industrial (Job-Related) Disability Retirement**

#### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

#### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

**Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

**1957 Survivor Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

**Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

**Optional Settlement 2 Death Benefit****Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

**Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## Special Death Benefit

### Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### Benefit

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

## Cost-of-Living Adjustments

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

## Employee Contributions

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to "pick-up" these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.  
The monthly compensation breakpoint is \$317.  
The percent contributed above the monthly compensation breakpoint is 6%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### **Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

### **Cost-of-Living Adjustment**

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There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE PEACE OFFICERS AND FIREFIGHTERS

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from either the **3% at 55** or the **3% at 50** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<u>3% at 55 Factor</u>	<u>Retirement Age</u>	<u>3% at 50 Factor</u>
50	2.400%	50 & Up	3.000%
51	2.520%		
52	2.640%		
53	2.760%		
54	2.880%		
55 & Up	3.000%		

- Currently, about 99.1% of its active members are subject to the **3% at 50** benefit factor. The rest of its active members (about 0.9%) are subject to the **3% at 55** benefit factor.
- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is capped at 90% of final compensation.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

## **Industrial (Job-Related) Disability Retirement**

### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

## **Post-Retirement Death Benefit**

### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

## **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance (PRSA)* or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to

unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

## **Alternate Death Benefit**

### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

## **1957 Survivor Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Optional Settlement 2 Death Benefit**

### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

**Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

**Special Death Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

**Benefit**

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

**Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

**Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial

allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

Approximately two thirds of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$863.
- The percent contributed above the monthly compensation breakpoint is 8%.

Approximately one sixth of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$238.
- The percent contributed above the monthly compensation breakpoint is 8%.

The remainder of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$513.
- The percent contributed above the monthly compensation breakpoint is 8%.

### **Refund of Employee Contributions**

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee’s *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member’s survivor who is eligible for any other pre-retirement death benefit described in the

**Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## CALIFORNIA HIGHWAY PATROL

The following is a summary of the major plan provisions used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees is **3% at all ages**, it does not depend on the member's age at retirement.
- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). In addition, the final compensation used for calculating retirement benefits is increased by 8% at the time of retirement. The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is capped at 90% of final compensation.

#### Vested Deferred Retirement

##### Eligibility for Deferred Status

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned

at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

## **Non-Industrial (Non-Job Related) Disability Retirement**

### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

## **Industrial (Job-Related) Disability Retirement**

### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a

work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. For members who, as a result of a single event, incur serious bodily injury, the benefit provided is equal to the greater of 50% of final compensation, or, three percent of final compensation multiplied by the number of years of service credited to the member, plus an annuity purchased with the accumulated additional contributions, if any. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit, plus an annuity purchased with the accumulated additional contributions, if any. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

## **1957 Survivor Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Optional Settlement 2 Death Benefit**

### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## **Special Death Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the

surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### **Benefit**

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried children under age 22. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to "pick-up" these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$863.

The percent contributed above the monthly compensation breakpoint is 8%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### **Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

### **Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

### **Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## SCHOOLS

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<b>Retirement Age</b>	<b>2% at 55 Factor</b>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each

employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance (50% for service not covered by Social Security). This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance (or 50% for service not covered by Social Security), the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime.

The remaining 75% of the retirement allowance (or 50% for service not covered by Social Security), which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary is paid. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

The contribution schedule is as follows:

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 7%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### **Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 60 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.